



**MFAS**  
Programme





UNITED NATIONS CONFERENCE ON TRADE AND DEVELOPMENT

Debt Management and Financial Analysis System  
Programme  
Annual Report 2018



UNITED NATIONS

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### **Note**

The designations of country groups are intended solely for statistical or analytical convenience and do not necessarily express a judgement about the stage reached by a particular country or area in the development process.

All references to dollars are to United States dollars, unless otherwise specified.

The Debt Management and Financial Analysis System (DMFAS) Programme is largely financed thanks to the generous support of bilateral donors. Currently, these are Germany, Ireland, the Netherlands and Switzerland.

**Debt Management and Financial Analysis System Programme  
Annual Report 2018**

## Contents

<b>Executive summary</b> .....	<b>7</b>
<b>Overview of progress at the end of 2018</b> .....	<b>11</b>
<b>Progress in implementing the strategic plan</b> .....	<b>14</b>
1. Overview of the 2016–2019 strategic plan.....	14
2. Key results achieved at the end of 2018 .....	16
3. Activities implemented in 2018.....	19
3.1 <i>Country project activities</i> .....	19
3.2 <i>Training activities and capacity-building modules</i> .....	21
3.3 <i>Systems management</i> .....	27
3.4 <i>Programme management</i> .....	34
4. Funding and expenditures in 2018.....	39
4.1 <i>Central trust fund of the DMFAS Programme</i> .....	39
4.2 <i>Expenditures of the central trust fund</i> .....	43
4.3 <i>Budget</i> .....	44
4.4 <i>Country-specific project trust funds</i> .....	44
<b>Challenges and the way forward</b> .....	<b>47</b>
Annex 1 Debt management and financial analysis system results.....	49
Annex 2 Use of DMFAS installations in countries in 2018.....	50
Annex 3 Scope of DMFAS use in countries in 2018.....	54
Annex 4 Breakdown of DMFAS client countries according to income group, 2018 .....	57
Annex 5 Automatic links between DMFAS and other systems .....	58
Annex 6 Summary of DMFAS help-desk enquiries by countries, 2018.....	60
Annex 7 Contributions to the DMFAS central trust fund per donor, 2002–2018.....	61
Annex 8 Maintenance agreements and fees .....	62
Annex 9 Current United Nations and international mandates relevant to the work of the DMFAS Programme .....	63
Annex 10 Conclusions of the DMFAS Advisory Group, November 2017 .....	67

## Figures

Figure 1. Summary of achievements under objective 1 of the 2016–2019 strategic plan at the end of 2018 .....	11
Figure 2. Summary of achievements under objective 2 of the 2016–2019 strategic plan at the end 2018 .....	13
Figure 3. Overview of the DMFAS strategic plan 2016–2019.....	15
Figure 4. Geographical distribution of active DMFAS users, 2018 .....	20
Figure 5. Active users of DMFAS by income group, 2018 .....	21
Figure 6. DMFAS capacity-building approach .....	23
Figure 7. DMFAS installations.....	28
Figure 8. DMFAS 6 functionalities .....	30
Figure 9. Partner collaboration .....	34
Figure 10. Country-project expenditures: Regional distribution as a percentage of total expenditures, 2018 .....	46
Figure 11. Country-project expenditures: Income-level distribution as a percentage of total expenditures, 2018 .....	46
Annex 8, figure 1. Number of institutions that have signed maintenance agreements and paid maintenance fees, 2003–2018.....	62
Annex 8, figure 2. Maintenance fee payments received, 2002–2018 .....	62

## Tables

Table 1. Regional distribution of DMFAS capacity-building and other activities, 2018.....	22
Table 2. Implementation of capacity-building modules, 2018 .....	24
Table 3. Income for the DMFAS central trust fund, 2018.....	40
Table 4. Income from cost sharing and recovery, 2002–2018.....	42
Table 5. DMFAS Programme expenditures, 2018.....	43
Table 6. Budget for DMFAS strategic plan, 2016–2019 .....	44
Table 7. Country project trust funds and project expenditures: Available funding and expenditures, 2018.....	45



## EXECUTIVE SUMMARY

This annual report describes the activities, achievements and financial situation of the DMFAS Programme of the United Nations Conference on Trade and Development (UNCTAD) in 2018 and provides an overview of the implementation of the Programme's 2016–2019 strategic plan. It is intended for the Programme's donors, its development partners and its beneficiary countries, and for all those interested in debt and development issues.

Since its inception, in synergy with UNCTAD policy, research and analytical work on debt issues, the Programme has provided country assistance to 108 institutions in 70 developing countries, including one new country in 2018, Eritrea. The current strategic plan focuses on the delivery of technical assistance in its areas of comparative advantage, the downstream area of debt management, considered as being the foundations for effective debt management.

Currently, the income-level classification of DMFAS clients is as follows: 38 DMFAS country clients have either low-income (15) or lower-middle-income development status (23); 15 countries have upper-middle-income status and 4 are high-income countries.

In 2018, the Programme concentrated on providing direct solutions to the debt management needs of developing countries with the aim of improving the technical and functional capacity of debt management offices to record, process, monitor, report and analyse public debt. It paid particular attention to helping countries produce clearly identifiable outputs through tailor-made technical assistance projects. For DMFAS client countries, concrete and sustainable results at the end of 2018 included improved debt coverage, enhanced transparency and reporting, improved operational risk management and greater integration with public finance management.

At the end of this third year of implementation of the strategic plan, the Programme is on target in almost all key areas of objective 1. Progress has been made on the targets for *improved debt coverage*, both on external and domestic debt. Most countries were benefitting from the enhanced functionalities of DMFAS 6. Increasing coverage of private non-guaranteed external debt is a challenge that will require particular attention in the future. Results in countries during the year included the drafting of debt portfolio reviews, data validation calendars, debt statistics bulletins and procedures manuals.

Overall progress for *enhanced transparency and reporting* is positive, although there was a slight setback in the results of two of the targets in terms of timeliness and completeness of reporting, mainly due to increased political instability in certain countries. Almost all countries with low- or middle-income

status participate in the Debtor Reporting System of the World Bank, representing 98 per cent of DMFAS clients. However, the quality and timeliness of reporting decreased slightly in 2018. Eighty-six per cent of DMFAS countries that committed to participate in the IMF-World Bank Quarterly External Debt Statistics database (QEDS) reported on time. In addition, two new DMFAS countries started reporting to the IMF-World Bank Quarterly Public Sector Debt database (QPSD) in 2018 and 88 per cent of DMFAS user countries that subscribed to report to the QPSD did it on time. For the fourth target, with 36 countries producing statistical bulletins, the Programme is very close to reaching the target. 2018 saw a steady increase in country demand for the Programme's support for debt data validation. The new methodology for assessing debt data quality – debt data quality assessment (Debt-DQA) – developed during the year will be a valuable tool for satisfying this demand in the future.

For *facilitated debt analysis*, medium-term debt strategy (MTDS) and debt sustainability analysis (DSA) targets are on track but debt portfolio analysis (DPA) is slowing down. Twenty-three countries regularly produce a debt portfolio analysis at least once during the year, slightly less compared with 2017, and all countries used DMFAS data for MTDS formulation where MTDS is done.

The original targets for *improved operational risk management* were adjusted upwards in 2018. Twenty-three countries have an up-to-date procedures manual for back office operations and 20 have an effective disaster recovery plan for the DMFAS software.

For *integration with public finance management* (PFM), clear progress for integration with budget, accounting and treasury systems has been achieved, with 23 institutions having linked the DMFAS database with other integrated systems.

For *enhanced debt management knowledge*, in 2018, the DMFAS Programme trained a high number of debt officials, 477 men and 230 women, from 39 countries, through national and regional activities (out of the expected 35 countries).

Significant progress was also made on objective 2. In 2018, the Programme distributed a major release and two updates of DMFAS 6 containing many technical and functional enhancements catering for the evolving institutional and operational needs of debt management offices and their changing debt portfolios. Progress was made on the link between the medium-term debt strategy (MTDS) tool and DMFAS: the module is planned for release in 2019. With regard to DMFAS 7, despite some delays due to resource constraints, the Programme made significant progress on updating the frameworks of the

software and producing the architectural baseline, which is a major milestone in the development of the new version of the software.

In line with its strategy to improve delivery of its capacity-building support to countries, the Programme delivered a new capacity-building module on procedures. A new course on debt reorganization, intended for use as self-guided instruction, was released on the DMFAS website. Finally, the new learning product called “Mastering the basics of Government securities market and financial calculations” was completed. The DMFAS Programme made important progress in providing opportunities for self-learning through online courses and tutorials to address some of the challenges faced in debt offices such as staff turnover.

Active cooperation between the Programme and other technical assistance providers in public debt management included contributions to the implementation of the second phase of the Debt Management Facility (DMF) and participation in eight DMF missions. In 2018, the Programme participated in four events organized by other technical assistance providers, including IMF, the World Bank and the Macroeconomic and Financial Management Institute of Eastern and Southern Africa (MEFMI). The Programme also continued to regularly share the DMFAS Programme’s mission calendar with other technical assistance providers to enhance overall mission coordination in countries. Building on the recommendations of the DMFAS business model review conducted in 2015, the Programme and the Commonwealth Secretariat continued their collaboration on the testing of the joint data-quality framework to assess country databases (Debt-DQA).

As part of its efforts to strengthen monitoring of results, the Programme mandated an independent evaluator to conduct a midterm review of the implementation of the 2016–2019 strategic plan. The evaluator’s final report highlights the continued relevance of the Programme and the high positive impact on core areas of public debt management relevant to debt data transparency. It also recognizes the high level of satisfaction among beneficiary countries, donors and partners. Noting the importance of the Programme’s focus on data recording, reporting and capacity building, the report makes useful recommendations for further strengthening the impact of its support. Recognizing the importance of monitoring and evaluation, the Programme continued implementing its result-based management framework at Programme and project levels with the new framework introduced by UNCTAD.

The eleventh DMFAS Advisory Group reiterated the importance of the Programme obtaining the funding necessary to enable it to continue to respond effectively to the evolving demands of developing countries and countries with economies in transition. In 2018, Germany renewed its support to the DMFAS Programme for two years. In addition, the European Commission announced its

intention to support the DMFAS Programme through a new multi-year funding agreement, hence increasing the number of donors to the Programme. In 2018, donors to the Programme were Germany, which renewed its support; Ireland; the Netherlands; and Switzerland. The Programme continued its fundraising effort to secure more commitments from past, current and new donors.

The continued high level of participation by DMFAS beneficiary countries in the Programme's cost-sharing mechanism is a good indicator of the Programme's importance to countries. This indicator is reinforced by the increasing number of middle-income countries that are fully financing their national projects.

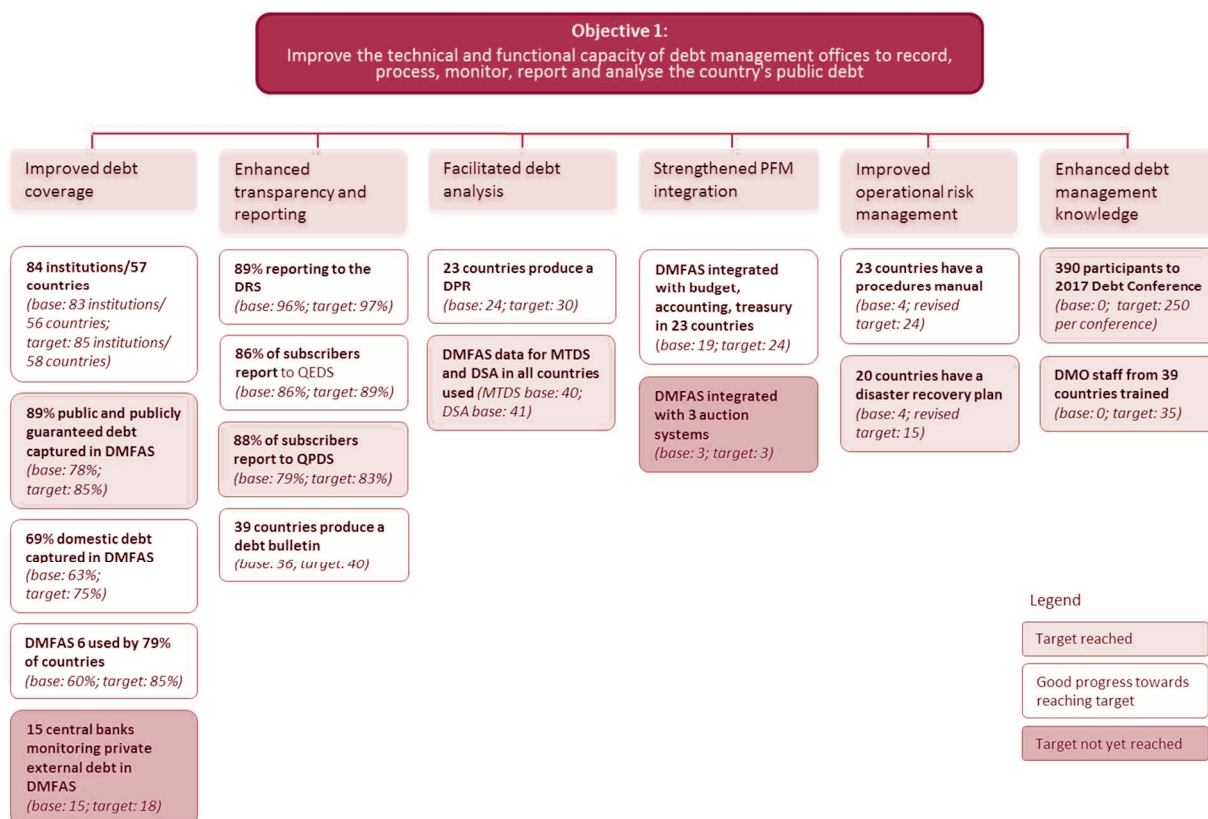
Another important development was the clear recognition by the international community of the importance of debt data quality and reporting. The increased understanding that comprehensive and reliable debt data is critical for effective risk management and analysis was particularly evident in the context of growing concerns for debt sustainability in many low-income countries. Hence, the DMFAS Programme adjusted the development plan for DMFAS 7 accordingly.

Overall, at the end of 2018, the results showed that the DMFAS Programme was on track to achieve all the objectives. Despite delays in the development of DMFAS 7, significant progress was made. The positive results and the continued relevance of its work put the Programme in a very strong position to achieve its overall development objective of strengthening Governments' capacity to manage their debt effectively and sustainably. As such, the Programme can be expected to continue to make an important contribution to improving debt-data transparency, decreasing the risks of debt distress, reducing poverty, promoting development and good governance, and achieving the Sustainable Development Goals.

## OVERVIEW OF PROGRESS AT THE END OF 2018

At the end of the third year of implementation, the Programme is on target in almost all key areas of objective 1 (see figure 1).

**Figure 1. Summary of achievements under objective 1 of the 2016–2019 strategic plan at the end of 2018**



Progress has been made on the targets for *improved debt coverage*, especially on external and domestic debt:

- 89 per cent of DMFAS user countries had comprehensive and reliable debt databases in respect of government and government-guaranteed external debt.
- 69 per cent of DMFAS 6 user institutions responsible for domestic debt were using DMFAS to capture it.
- 15 central banks monitor private external debt using DMFAS.
- A majority of countries are now using DMFAS 6.

Results for *enhanced transparency and reporting* experienced a slight setback in 2018 mainly due to increase political instability in some low-income countries and include:

- 89 per cent of low- or middle-income countries reported effectively to the Debtor Reporting System of the World Bank (three countries did not report in 2018).
- 65 per cent of DMFAS user countries were participating in the IMF-World Bank Quarterly External Debt Statistics database (QEDS), 86 per cent of which provided data on time.
- 88 per cent of DMFAS user institutions that subscribed to report to the IMF-World Bank Quarterly Public Sector Debt database (QPSD) reported. Two new countries started to report to the QPSD in 2018.
- With 39 countries producing statistical bulletins, the Programme is close to reaching the fourth target.

For *facilitated debt analysis*, medium-term debt strategy and debt sustainability analysis targets are on track and debt portfolio analysis is stable:

- 23 regularly produce a debt portfolio analysis.
- All countries used DMFAS data for medium-term debt strategy (MTDS) formulation where MTDS is done.

The original targets for *improved operational risk management* were adjusted upwards:

- The new target was set at 24 countries having an up-to-date procedures manual for back office operations. At the end of 2018, 23 countries reported having fulfilled this indicator.
- The new target was set at 15 countries having a disaster recovery plan for the DMFAS software, and 20 countries reported effective disaster recovery plans for the DMFAS database in 2018.

For *integration with public finance management* (PFM), clear progress on integration with budget, accounting and treasury systems has been made, with 23 institutions having linked the DMFAS database with other integrated systems. However, there was no new integration with auction systems or aid management in 2018 due to the absence of demand.

For *enhanced debt management knowledge*, 390 participants from 109 countries participated in the eleventh UNCTAD Debt Management Conference. In addition, the Programme exceeded the original target of 35 countries by training debt officials from 39 countries since the beginning of the strategic plan.

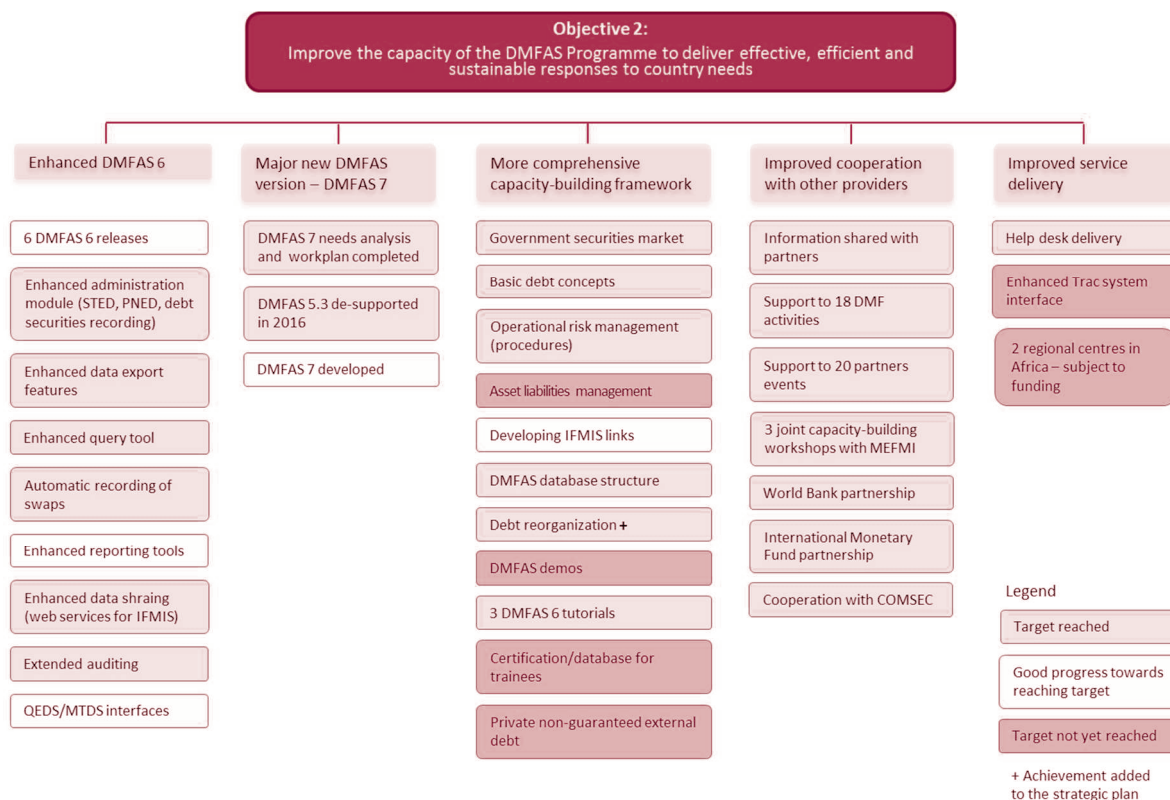
In relation to objective 2, half of the targets have been reached and the Programme is on target in the remaining key areas (see figure 2).

Significant progress was made on targets for *enhancing DMFAS 6*, which includes a new release and two updates of DMFAS 6 with improved functionalities. Few improvements remain to be finalized.



For the *development of version DMFAS 7*, the baseline architecture was defined, and two modules of DMFAS 6 were migrated to the new technological platform.

**Figure 2. Summary of achievements under objective 2 of the 2016–2019 strategic plan at the end 2018**



Many improvements to the *capacity-building framework* were implemented, including new training modules developed on basic debt concepts, reorganization and government securities market and financial calculations and on procedures.

All expected results for *improved cooperation with other providers* are on target and include:

- Extensive cooperation and joint activities with the World Bank: Debtor Reporting System (DRS), Debt Management Facility (DMF) (eight joint missions), Treasury.
- Cooperation on debt statistics with IMF.
- Joint workshops with MEFMI.
- Development of new debt data-quality methodology with COMSEC.

Finally, progress on *improved service delivery has been mixed*. The help desk service was delivered in 2018 as expected. However, the establishment of two regional centres in Africa is constrained by the unavailability of necessary funding.

# PROGRESS IN IMPLEMENTING THE STRATEGIC PLAN

## 1. Overview of the 2016–2019 strategic plan

### A four-year strategic plan

The current four-year strategic plan for the DMFAS Programme started in January 2016. It establishes a forward-looking programme for the DMFAS Programme to continue to deliver high quality, very relevant assistance to developing countries in response to their debt management needs over a period of four years. Coinciding with the launch of the post-2015 development agenda and sustainable development goals (SDGs) and increased focus by the international community on debt, the plan defines how the Programme will support countries to achieve good debt management. The strategic plan was endorsed by the 10th meeting of the DMFAS Advisory Group in November 2015. Its overall objective is to strengthen Governments' capacity to manage their debt effectively and sustainably, in support of poverty reduction, development and good governance.

### Two immediate objectives

In line with the overall objective and the Programme's comparative advantages, the plan concentrates on two main areas: improving the technical and functional capacity of debt management offices to record, process, monitor, report and analyse the country's public debt (immediate objective 1); and improving the capacity of the Programme to deliver effective, efficient and sustainable responses to country needs (immediate objective 2). The logical framework for the strategic plan for 2016–2019 includes performance indicators that will be measured throughout the implementation of the strategic plan. Baseline statistics were defined in order to set benchmarks, through questionnaires and surveys with client institutions.

### Includes performance indicators

The first objective concentrates on providing concrete solutions to the problems faced by developing countries in debt management.

#### Objective 1:

Improve the technical and functional capacity of debt management offices to record, process, monitor, report and analyse the country's public debt

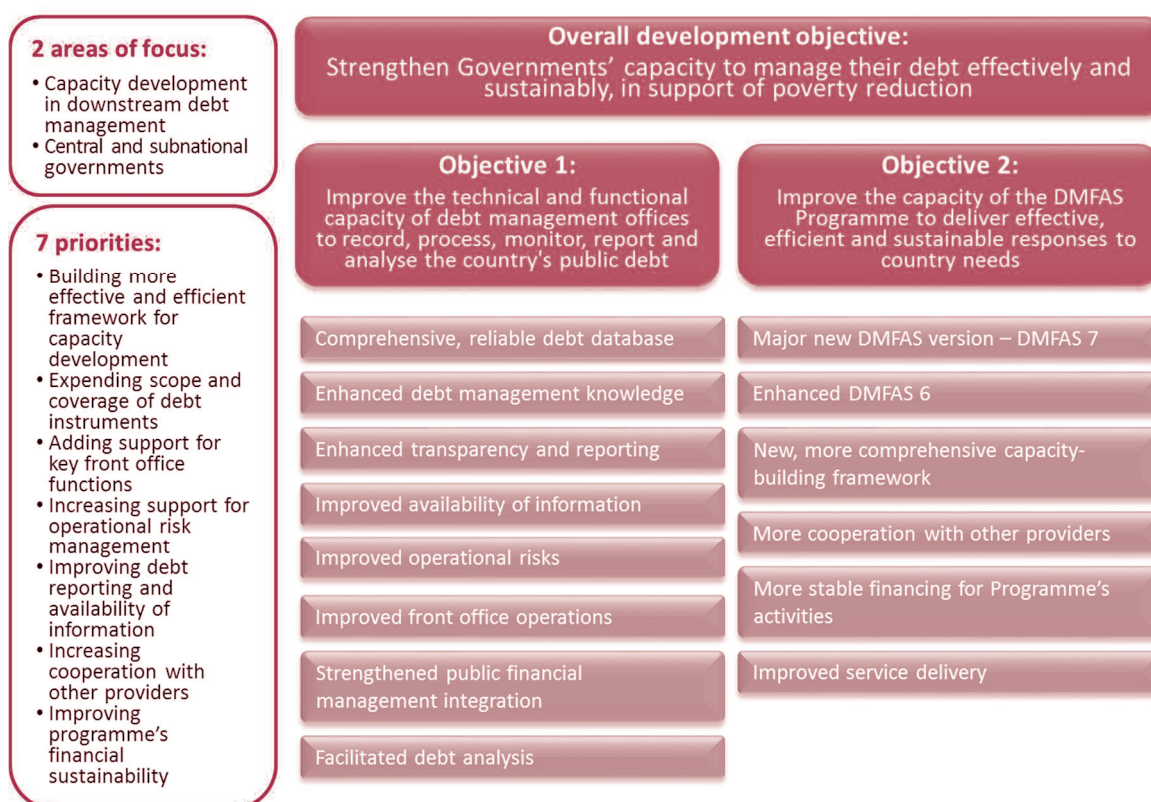


The second objective focuses on improving its internal functioning to improve its capacity to deliver the results expected under immediate objective 1. Under this objective, the Programme focuses on meeting internal challenges that it faces in delivering the solutions of the first objective.

**Objective 2:**  
Improve the capacity of the DMFAS Programme to deliver effective, efficient and sustainable responses to country needs

Figure 3 shows an overview of the focus of the strategic plan, its overall objective, its two immediate objectives, as well as the seven priorities for the period 2016–2019.

**Figure 3. Overview of the DMFAS strategic plan 2016–2019**



## 2. Key results achieved at the end of 2018

Annex 1 provides a summary table of the objectives and expected results, as well as achievements in 2018.

Below is the list of expected results for immediate objective 1, with a description of progress made in 2018 to achieve them:

### Comprehensive debt databases

- **Government information systems established for effectively managing complete, up-to-date and reliable debt databases.** In 2018, 57 countries, including one new country and 84 institutions, were actively using DMFAS. As a measure of the progress countries have made in debt recording assisted by DMFAS, 89 per cent of countries have developed comprehensive, reliable debt databases in respect of government and government-guaranteed external debt. This shows continued efforts of DMFAS countries to improve external debt records. Sixty-nine per cent of DMFAS 6 user-countries, whose debt management office is responsible for monitoring domestic debt, were using DMFAS to manage their entire domestic debt portfolio. Fifteen central banks were monitoring private external debt using DMFAS.

### Qualitative debt reporting

- **Enhanced knowledge of debt management procedures and best practices.** During the period, a total of 707 officers (477 men and 230 women) from 39 countries benefited from DMFAS training activities.
- **Enhanced transparency through effective debt reporting and improved accessibility/availability of debt information.** A slight setback was suffered in 2018 with regard to reporting, mainly due to increased political instability in some countries. Eighty-nine per cent of low- or middle-income DMFAS user countries reported effectively to the World Bank Debtor Reporting System, and 65 per cent of DMFAS user countries participate in the Quarterly External Debt Statistics (QEDS) Database (37 countries out of 57). Eighty-six per cent of the DMFAS user countries that subscribed to QEDS reported effectively for the second quarter 2018. Finally, 46 per cent of DMFAS countries subscribed to the Quarterly Public Sector Debt database (QPSD), including two new countries in 2018, 88 per cent of which reported on time.
- **Improved operational risk management.** At the end of 2018, 23 countries had up-to-date procedures manuals. Twenty DMFAS user countries had a disaster recovery plan for the DMFAS software.

- **Strengthened integration of debt management within Public Finance Management (PFM).** Twenty-three institutions had linked the DMFAS database to other information systems, 15 of which, with treasury systems. In addition, three countries had developed links with their auctions platforms.
- **Facilitated debt analysis.** At the end of the period, 23 countries were regularly publishing a debt portfolio review, including three additional countries. However, four countries which had previously published debt portfolio reviews did not do so in 2018, mainly due to political instability affecting normal functioning of debt offices. Furthermore, DMFAS data was used for preparing a medium-term debt strategy (MTDS) and debt sustainability analysis in all DMFAS user countries where MTDS is done.

DMFAS linked in 23 countries

Below is the list of expected results for immediate objective 2, with a description of progress made in 2018 to achieve them:

- **Major new DMFAS version developed - DMFAS 7.** The production of the architectural baseline for DMFAS 7 was completed, and two DMFAS modules were migrated to the new technological platform.
- **DMFAS 6 enhanced.** At the end of 2018, DMFAS 6 was installed in 54 institutions in 45 countries, representing 64 per cent of DMFAS user institutions and 79 per cent of DMFAS countries. During the year, five additional institutions in four countries adopted this version. A new release of DMFAS 6, version 6.1.3, with improvements in key functions, was distributed to client countries, followed by two updates, 6.1.3.1 and 6.1.3.2.
- **New, more comprehensive capacity-development framework.** The capacity-building modules developed by the Programme and delivered through in-country and regional training courses yielded tangible results. In 2018, two debt portfolio analysis workshops resulted in the production of draft debt portfolio analysis reports. In addition, nine data validation workshops resulted in the production or the update of a data validation calendar. Finally, five debt statistics workshops resulted in the drafting of debt statistics bulletins.

DMFAS 7 development

DMFAS 6 enhanced

In line with its strategy, the Programme continued to work on completing the set of fact sheets that are part of the new course on basic debt concepts. Two new learning products on the basics of government securities market and financial calculations and on debt reorganization have been completed. The new learning approach is aimed at answering

New learning products delivered

the needs of users for personalized training, making learning material accessible when and where it is needed.

- **More cooperation with other providers.** The strategic plan places considerable importance on coordination with other stakeholders, and the Programme continued to pursue this objective. By increasing its coordination with other providers, DMFAS has adopted a policy of avoiding duplication, sharing best practices and maximizing support to other providers. A key result has been the alignment of the Programme's work within its areas of competitive advantage. This was fully achieved by redefining the Programme's scope within the debt management capacity-building approach (see figure 6) to cover debt recording, operations, statistics and basic analysis layers, also referred to as downstream activities. All Programme activities during the period conformed to these areas of comparative advantage. Cooperation involved providing support to the activities of other providers in the upper layers of the debt management, i.e. risk analysis, debt strategy and debt sustainability analysis.

**Strong cooperation  
with other providers**

In avoiding duplication, the Programme's initiative of systematically sharing its mission calendar with other providers through its newsletter and website. In 2018, cooperation with other providers involved participation as resource persons in four joint events organized by international and regional partners.

In sharing best practices and providing active support for new international initiatives that improve coordination, DMFAS was involved with other organizations in a number of areas. The Programme continued to be an important implementing partner of the second phase of the Debt Management Facility led by the World Bank. In 2018, the Programme participated in four debt management performance assessment (DeMPA) missions in the Republic of Moldova, Senegal, Uganda and Zambia, in one medium-term debt strategy mission in Angola and one reform plan mission in Djibouti. It also co-organized two regional workshops, a medium-term debt strategy training session (MTDS) in Switzerland and a workshop on debt management performance assessment in Côte d'Ivoire.

- **Improved service delivery.** The Programme provided effective support to user countries through its help desk, which responded to 425 requests during the reporting period. It supplied country technical assistance, namely delivering 79 capacity-building workshops and other activities during the reporting period. At the end of 2018, the Programme had actively managed 27 technical assistance projects and signed 6 new projects and 6 addenda to existing projects. In its efforts to further

**Improved service  
delivery**

improve its efficiency and effectiveness, the Programme continues implementing its results-based management framework in line with the UNCTAD framework, further strengthening its practices in this area.

- **More stable financing for Programme activities.** With respect to the Programme's financing, the following three mechanisms have been designed to ensure efficient cost sharing and to cover part of the running costs of the Programme: maintenance fees, development fees and staff cost recovery. The maintenance fee for DMFAS 6, adopted by the DMFAS Advisory Group in 2009, is based on the World Bank income-level classification to reflect the abilities of countries to share costs. In 2018, in line with the objective of the strategic plan, all new DMFAS project documents included a maintenance agreement with the new graduated annual fees. Projects fully covered the cost of resources used to implement them.

**More stable financing for programme activities**

### **3. Activities implemented in 2018**

This section describes the status of the Programme's capacity-building activities at the country project level in 2018. It also describes how capacity-building is provided by means of relevant training activities and summarizes the implementation and operational status of DMFAS in the countries during the reporting period.

#### **3.1 Country project activities**

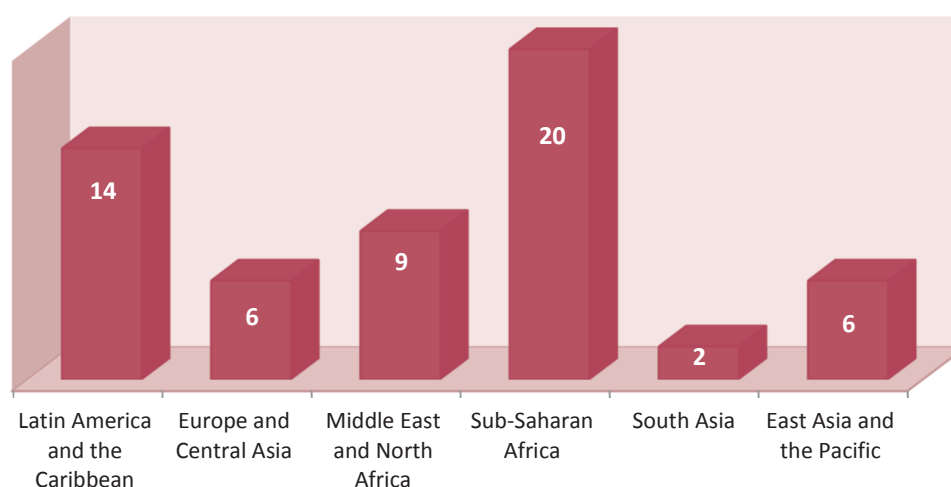
***Respond to increasing demands from DMFAS clients.*** In response to the increase in requests from user countries for the Programme's products and services, the DMFAS Programme signed new project agreements with five client countries (Bangladesh, the Plurinational State of Bolivia, Ethiopia, Pakistan and Zimbabwe) and one new country, Eritrea. It also signed six addenda to existing projects with Côte d'Ivoire, Ecuador, Egypt, Uzbekistan and the Bolivarian Republic of Venezuela. In addition, the Swiss State Secretariat for Economic Affairs commissioned the Programme to conduct a series of needs assessment missions.

**Operational status of DMFAS in countries**

Since its inception in 1981, the Programme has provided technical assistance to 70 countries and 108 institutions. The vast majority of these countries – 57 in total – are active DMFAS clients. In 2018, it represents a fidelity rate of 81 per cent over 30 years, showing the continued relevance of the system to developing countries. Figure 4 shows the geographical breakdown of active countries; the majority of user countries are in Africa and Asia.

**81 per cent of client countries supported by DMFAS are still active users**

**Figure 4. Geographical distribution of active DMFAS users, 2018**



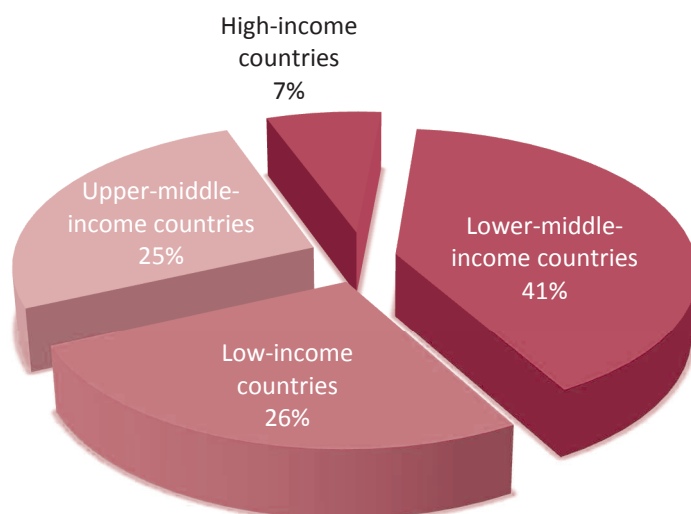
***Respond to the changing nature of countries' needs for services in different areas of debt management.***

DMFAS clients range from low-income, structurally weak economies to more advanced middle-income developing economies. This variety in client type further accentuates the diversity and scope of the technical assistance provided by the Programme. Figure 5 provides a breakdown of the countries that were using DMFAS at the end of 2018. As shown, the vast majority of DMFAS clients belongs to the low-income and lower-middle-income category. See annex 4 for a breakdown by country.

DMFAS projects take into account the different situations of countries and their income status. One example of a major difficulty still facing many low-income countries is the capacity to recruit and retain qualified staff. This difficulty is manifested in the need for repeated training in the fundamentals of debt management, including debt recording and the introduction of appropriate information flows on debt data. Middle-income countries are usually stronger at maintaining an updated and validated database and are therefore more concerned with receiving technical assistance from the Programme to improve their capacity in producing debt statistics, in debt reporting and basic debt analysis.

**Countries' needs vary with the level of development**

**Figure 5. Active users of DMFAS by income group, 2018**



Three trends in debt management are shaping the range of services of the DMFAS Programme: the growing importance of domestic financing, the need to integrate DMFAS into the larger financial or public finance management system and the international focus on improving debt data transparency. First, capacity-building in domestic debt management is increasingly being included in DMFAS projects. Significant improvements in the ability of DMFAS to manage domestic debt are included in DMFAS 6. Second, linking debt management to general financial management, as well as aid management, has become essential. The main focus of the Programme with regard to these interfaces is to provide technical assistance in designing, building and maintaining the relevant links. Third, there is a growing focus of the international community on debt data transparency, debt recording and debt reporting, highlighting the importance of the quality of debt data. In 2018, there was a steady increase in demand for DMFAS capacity-building in the area of data validation.

**Three trends in debt management**

### **3.2 Training activities and capacity-building modules**

Table 1 provides a breakdown of how DMFAS capacity-building activities were distributed by region at the end of 2018. Altogether, the Programme organized or co-organized 79 capacity-building events, including on-the-job training, national and regional workshops, study tours and interregional seminars, as well as needs assessments and project evaluation missions. Of these, 15 were related to DMFAS functional training and another 19 to DMFAS 6 installations, technical training and the development of links with integrated financial management systems.



**Table 1. Regional distribution of DMFAS capacity-building and other activities, 2018**

	<i>EAST ASIA AND THE PACIFIC</i>	<i>EUROPE AND CENTRAL ASIA</i>	<i>LATIN AMERICA AND THE CARIBBEAN</i>	<i>MIDDLE EAST AND NORTH AFRICA</i>	<i>SOUTH ASIA</i>	<i>SUB-SAHARAN AFRICA</i>	<i>TOTAL</i>
DMFAS functional training		1	4		1	9	<b>15</b>
Information and communications technology: installations/training/links		2	2	2	1	12	<b>19</b>
Capacity-building in data validation, debt statistics, debt portfolio analysis and other capacity-building workshops			4		1	15	<b>20</b>
MTDS, DeMPA and reform plan		2		1		5	<b>8</b>
Needs assessments		3		1	1		<b>5</b>
Project management			1			4	<b>5</b>
Partner coordination		2				2	<b>4</b>
Other, study tours and training of trainers	3						<b>3</b>
<b>TOTAL</b>	<b>3</b>	<b>10</b>	<b>11</b>	<b>4</b>	<b>4</b>	<b>47</b>	<b>79</b>

Demand for the capacity-building modules continued to be high. Twenty training events were organized on data validation, debt statistics, debt portfolio analysis, and procedures manual. They comprised nine data validation workshops in Angola, Ecuador, Ethiopia, Guinea-Bissau, Pakistan and Zambia and in the Province of Rio Negro, Argentina; five workshops on debt statistics in Guinea-Bissau, Togo, Zambia and in the Province of Rio Negro, Argentina; two workshops on debt portfolio review in Angola and Togo; two capacity-building workshops on the elaboration of procedures in Togo; and two workshops on analysis of workflows and business processes in the Sudan.

DMFAS missions are carried out by central staff and with the support of consultants when required. With the aims of encouraging South-South cooperation and the sharing of best practices, the Programme regularly hires proficient DMFAS users from debt offices in developing countries as consultants to train new users in the debt offices of other developing countries. Advisers can be fielded for longer periods for certain projects to provide continued on-site support and debt management advisory services.



## DMFAS capacity-building approach

As described in the strategic plan, the Programme focuses on supporting countries in building sustainable capacity in the downstream area of debt management. Hence, it places emphasis on the results of capacity-building by focusing on delivering concrete outputs at the end the workshops. The outputs of the DMFAS capacity-building modules build upon each other (see figure 6). They are complementary to the activities of other international organizations at more advanced levels of debt analysis and debt strategy.

**Focus on concrete results and outputs**

**Figure 6. DMFAS capacity-building approach**

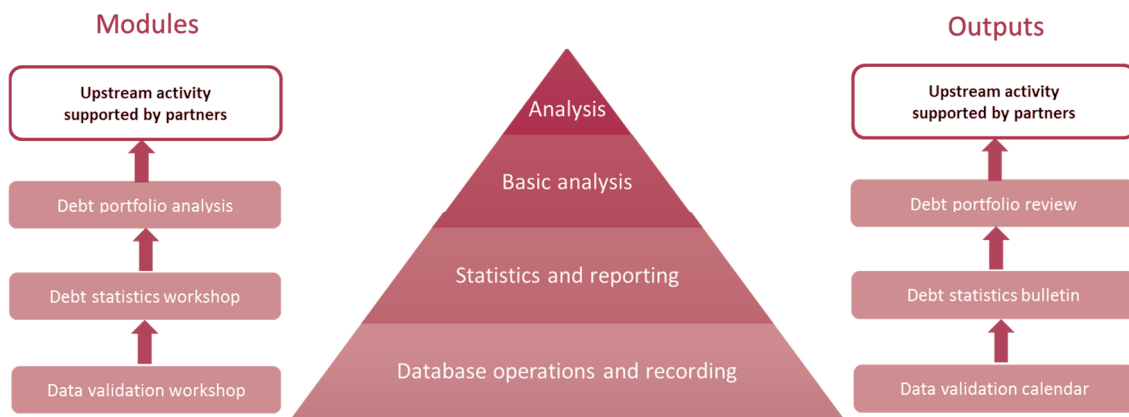


Table 2 lists the total number of capacity-building modules implemented in countries in 2018. The results were the production of statistical bulletins on debt, which may be used internally by the country or disseminated externally (see box below for examples of debt statistical bulletins).

**Table 2. Implementation of capacity-building modules, 2018**

	2016	2017	2018
<b>TOTAL</b>	<b>15</b>	<b>14</b>	<b>20</b>
Debt portfolio analysis	2	3	1
Debt portfolio analysis: follow-up	1		1
Debt statistics		3	4
Debt statistics: follow-up			1
Data validation	7	3	6
Data validation: follow-up	3	3	3
Other capacity-building workshops	2	2	4
<b>REGIONAL WORKSHOPS</b>	<b>-</b>	<b>1</b>	<b>-</b>
Debt portfolio analysis			
Debt statistics			
Data validation		1	
<b>NATIONAL WORKSHOPS</b>	<b>15</b>	<b>13</b>	<b>20</b>
Debt portfolio analysis	2	3	1
Debt portfolio analysis: follow-up	1		1
Debt statistics		3	4
Debt statistics: follow-up			1
Data validation	7	2	6
Data validation: follow-up	3	3	3
Other capacity-building workshops	2	2	4

These capacity-building events have also led to the production of procedures for validation of debt data and improved the sustainability of the project results in the long term.

**Examples of debt statistical bulletins produced by DMFAS user countries**

- A quarterly bulletin for Albania
- A quarterly bulletin for Bangladesh
- A semi-annual bulletin for Cambodia
- A yearly bulletin for Côte d'Ivoire
- An annual statistical bulletin for Ethiopia
- A joint Ministry of Finance–Bank of Indonesia monthly statistical bulletin on external debt for Indonesia and a quarterly central government debt bulletin by the Ministry of Finance
- Yearly, quarterly and monthly bulletins for Paraguay
- A bulletin for external debt for Rwanda
- A half-yearly bulletin for the Sudan
- A bulletin for external and domestic debt for Togo
- An annual statistical bulletin for Viet Nam

## Status of learning products

A new workshop on procedures was developed during the year and delivered for the first time in October 2018 at the Ministry of Economy and Finance of Togo. The objectives of the workshop are threefold: to provide debt offices with the keys to sound decision-making and to the right choices in the area of procedures, to foster ownership of the methodology for developing procedures and to promote best practices for producing efficient and sustainable procedures.

**Workshop on procedures**

To do so, the training covers the following topics:

1. The basics of a procedure approach: the concepts of process, procedures and work instructions; the documentary pyramid; the different objectives for developing procedures; the most frequent difficulties; and a methodology for setting up procedures.
2. The basics of drafting procedures: rules for writing procedures, flowcharts, content of a procedure; format of a procedure; and the document management system of procedures.

The target audience includes managers, department heads, any staff member or executive involved in the organization or having responsibilities related to procedures or any staff member involved in the drafting or revision of procedures.

In 2018, the Programme also continued to work on completing the set of 25 fact sheets that are part of the new course on basic debt concepts. Thirteen have already been delivered and published in the client area of the Programme's website. Five new fact sheets are in progress. This course is to be delivered in the form of self-study fact sheets so as to make it accessible on an as-and-when needed basis. It targets new staff performing back-office functions in the debt office who are involved in recording data in DMFAS 6. These can be junior staff or experienced staff recently reassigned to the debt office. The learning goal of the course is for new staff to grasp the basic and essential concepts of debt management, which will help them improve the quality and accuracy of data they record in DMFAS and avoid common mistakes. The debt management offices will therefore be able to rely on staff with the required knowledge of basic debt concepts to manage and record effectively debt-related data and operations in DMFAS.

**Basic debt concepts fact sheets**

**New course on  
debt reorganization**

The new course on debt reorganization, intended for use as self-guided instruction, is now available in the client area of the Programme's website. The course consists of four modules in PowerPoint format. The first module introduces the main concepts of external debt reorganization, and the next two modules review the specificities of the Paris Club and the London Club, the last module focusing on the steps for sovereign debt reorganization.

**Blended learning:  
basics of government  
securities market**

The five modules of the new learning product called "Mastering the basics of Government securities market and financial calculations" were tested and are now ready for use. Nevertheless, the course will have to be migrated to the new cloud platform developed by the software provider. This course will be delivered through a mix of distance learning (online course) and face-to-face instruction during workshops. The main objective of is to strengthen the capacity of national debt offices to assess and select the most beneficial/cost-effective terms of debt securities and to issue these through an issuance policy in line with their debt strategy. To do so, it will first equip front/middle office staff with basic knowledge and skills in the field of capital markets and government securities, including characteristics of debt securities, market players, basic financial calculations, issuance mechanisms and international standards. Learners will thus become familiar with commonly used debt securities and issuance mechanisms and will be able to perform securities-related calculations.

### **3.3 Systems management**

Debt management capacities and borrowing choices have changed over the years and DMFAS constantly evolves both functionally and technically to serve countries' needs. Cutting-edge system development is therefore one of the main objectives of the Programme, whether this be through updates to the current versions or through the development of entirely new versions of the system.

In line with the Programme's strategic plan, the systems management focused in particular on the following areas during the year:

- System development, including refining the latest version of DMFAS – version 6 – in response to country needs.
- Implementation of DMFAS 6 and updates in countries.
- Support and maintenance.
- Development of version 7, with the architectural baseline and development plan for the migration of technology, as well as the migration of two modules to the new technological platform.

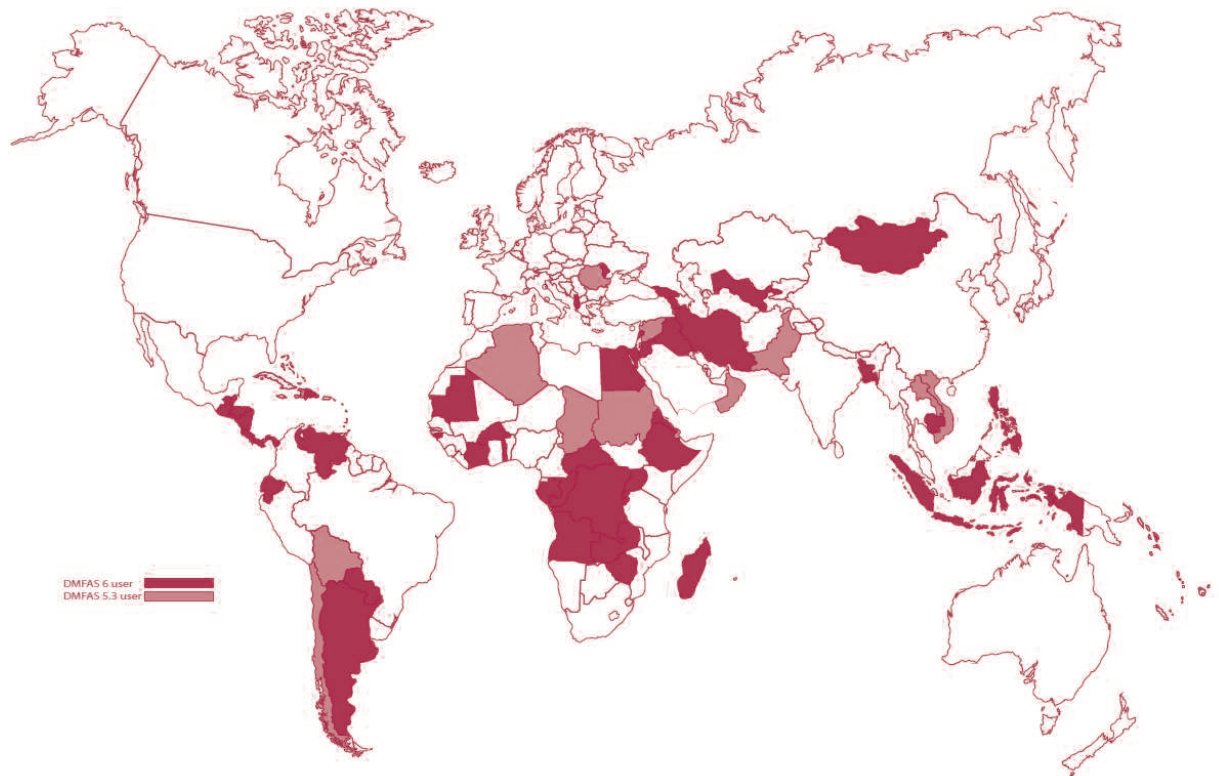
#### **Overall DMFAS installations**

All institutions operating DMFAS in client countries have adopted either DMFAS 5.3 or DMFAS 6, and 64 per cent are using the latest version. Of the 69 main installations, DMFAS 6 was installed in 54 institutions in 45 countries, and DMFAS 5.3 was used in 19 institutions in 16 countries (see figure 7 and annex 2 for more details).

**DMFAS 6 installed  
in 45 countries**

In 24 client countries, the system was being used by more than one institution. In about half of these cases, the system was shared by the two institutions. Otherwise, each institution had its own database. Sharing between institutions is an option selected more and more often by DMFAS clients, mainly because of the advanced security function of DMFAS 6, which manages access rights for the institutions involved and facilitates complete coordination in public financial management. More details can be found in annex 2.

**Figure 7. DMFAS installations**



*Note:* The boundaries on this map do not imply official endorsement or acceptance by the United Nations.

**DMFAS 6 users:** Albania, Angola, Argentina, Armenia, Bangladesh, Burkina Faso, Burundi, Cambodia, Central African Republic, Congo, Democratic Republic of the Congo, Costa Rica, Côte d'Ivoire, Dominican Republic, Ecuador, Egypt, El Salvador, Eritrea, Ethiopia, Gabon, Georgia, Guatemala, Guinea-Bissau, Honduras, Indonesia, Iran (Islamic Republic of), Iraq, Jordan, Lebanon, Madagascar, Mauritania, Republic of Moldova, Mongolia, Nicaragua, Panama, Paraguay, Philippines, Rwanda, Sudan, Togo, Uganda, Uzbekistan, Venezuela (Bolivarian Republic of), Zambia, Zimbabwe.

**DMFAS 5.3 users:** Algeria, Bolivia (Plurinational State of), Chad, Chile, Djibouti, Haiti, Lao People's Democratic Republic, Oman, Pakistan, Romania, Syrian Arab Republic, Viet Nam.

## DMFAS 6

At the end of 2018, DMFAS 6 had been installed in 54 institutions in 45 countries. In 2018, five new DMFAS 6 installations took place in Burkina Faso (Ministry of Finance), Ecuador (Ministry of Finance and Central Bank), Eritrea (Ministry of Finance) and in Guinea-Bissau (Ministry of Finance).

DMFAS 6 is available in four United Nations languages: English, French Spanish and Russian. Its functionalities are summarized in figure 8 and include:

- Increased scope of instruments: DMFAS 6 offers modules on private external and short-term debt, sukuk, and extended amendments and operations. The extended debt reorganization module is partially completed, as the module requires additional developments that are under consideration.
- Increased scope of transactions: enhancements were made to the prepayment and buy-back modules (including new transactions types such as suspension), and new modules were developed for the recording of drawing requests and issuance authorizations.
- Data-quality improvements were achieved through the extended auditing module, and the new module on data validation at recording level was finalized and released in November 2018.
- Reporting and analysis: enhanced analytical reporting and risk indicators were implemented. Other new modules, namely for the automatic generation of QEDS reports; standard interfaces with the medium-term debt strategy and for debt sustainability framework reporting are being tested and will be completed in 2019.
- Standard features for integration were facilitated through the module on centralized authentication service, full use of open-source libraries, generic interfaces and standard DMFAS 6 module to integrate debt management functions with budget, accounting and/or treasury systems (which were implemented as web services). In addition, standard interfaces for integration with integrated financial management information systems and the auction module were partially completed.

### DMFAS 6 functionalities

## DMFAS 6 developments undertaken in 2018

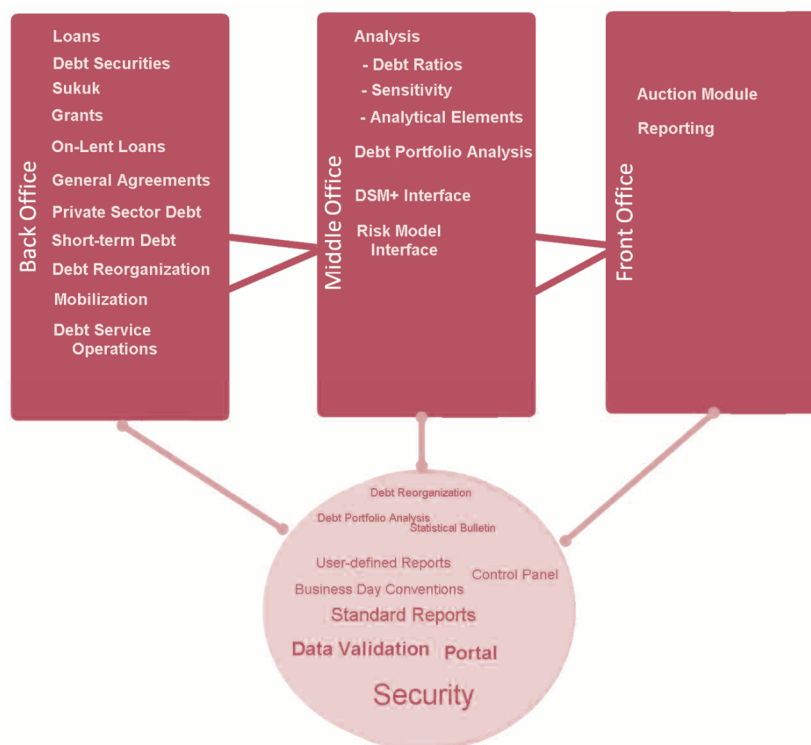
With the distribution of version 6.1.3 in April, followed by two updates in August and October (6.1.3.1 distributed to Argentina and 6.1.3.2), many technical and functional enhancements were introduced to DMFAS 6, including:

- Administration module: various enhancements to the recording of data in the debt securities module to facilitate the recording of commitment fee refunding.

### Three DMFAS 6 releases

- Data export features: a number of modifications were made to the module, allowing users to export data sets to be used on other databases for reporting purposes.
- Reporting: a number of technical and functional enhancements to speed up the generation of reports.
- Data-sharing: module to facilitate the recording of payment orders and the integration with Oracle E-business Suite (treasury system) plus a module for the integration of disbursements requests through the use of web services were added. They make it possible to export payment orders and disbursement requests to treasury systems, as well as to import the confirmation of payments in DMFAS in order to automatically generate the corresponding payment records. A number of enhancements to the standard web services, facilitating the connection of DMFAS 6 with other applications.
- Other technical enhancements: different adaptive and perfective enhancements to ensure the system's compatibility to newer releases of supporting tools (e.g. Java 8, Apache Tomcat 9, Google Chrome, Mozilla Firefox, among others) and the inclusion of additional standard integration features (by means of SOAP2 web services) to facilitate the interaction with other software applications.

**Figure 8. DMFAS 6 functionalities**





## Development of DMFAS 7

In line with the 2016–2019 strategic plan goal of developing a new major version, the DMFAS Programme conducted an analysis of the needs and requirements for the development of a new major version of the DMFAS system (DMFAS 7) building on the lessons learned from DMFAS 6. Despite resource constraints in 2018, important progress was made in the development of DMFAS 7. The baseline architecture for DMFAS 7 was defined, and two modules of DMFAS were migrated to the new technological platform.

From a technical perspective, the focus during this period was on updating the frameworks of the software and producing the architectural baseline, which is a major milestone in the development of DMFAS 7. The following outputs were delivered:

- Definition of the DMFAS 7 architecture and development tools.
- Definition of the technical requirements and installation of the platform for supporting the development.
- Execution of a proof of concept module (migration of two DMFAS 6 modules into the new technology).

These technological developments constitute significant progress. Despite some delays, a solid technological foundation has been built for the new version, meeting countries' technical requirements.

## Links with other systems

The Programme provides support to countries wishing to link DMFAS with other systems, including integrated financial management systems. Starting with the release 6.1.1, the DMFAS application now provides a set of web services as part of the new features to support and facilitate the integration with other applications.

In 2018, 23 DMFAS installations in 19 countries were linked with other financial management systems, including 15 with treasury systems and 3 with auction systems (see annex 5). In the absence of specific requests from user countries, no link between aid management systems and DMFAS had been developed.

During the period, the Programme supported five countries in the development of a link between their own system and DMFAS 6 through workshops on creating interfaces in Côte d'Ivoire, Togo and Zimbabwe or through specific assistance in interface development (including testing and validation of interface) in Albania and Angola.

**DMFAS 6 integrated  
with other systems  
in 23 institutions**

## Improved service delivery

In 2018, help-desk support included assistance and advice on a wide range of functional and technical issues by fielding technical missions, the Trac system, e-mails, remote access and through the UNCTAD FTP server. Where applicable, databases were also sent by clients and installed in UNCTAD headquarters to facilitate the resolution of queries and problems. In 2018, the DMFAS help desk received a total of 590 client tickets on DMFAS 6. Of these, 425 requests were closed, and the remainder (165) was being processed (see annex 6 for details). The differences in the use of the Tracs system are directly linked with the mandate of the debt office and the modules of the DMFAS software used by the institutions. At the end of 2017, the Programme technologically de-supported DMFAS version 5.3.

Additionally, the help desk received requests for technical support through remote access. This included interventions (44) to resolve technical issues within the system, as well as other remote sessions to support the installation of updates (14) and other minor interventions (5) providing database support were performed.

## User documentation

### Updated online help

New versions of the online help systems for DMFAS 6 were released in March and in June 2018. For both online help systems, the English version was released simultaneously with the localized French and Spanish versions.

In 2018, DMFAS 6 tutorials on recording a loan in DMFAS, African Development Fund loans and DMFAS query tool were revised to take into account feedback from users. They are available for downloading in the client area of the Programme's website.

### *Introduction to DMFAS 6*

### Four learning tutorials

The purpose of this tutorial is to teach end users the main tasks involved in registering a simple loan agreement in DMFAS. It is based on a standard International Development Association (IDA) loan with one tranche. It begins with a presentation of the DMFAS Portal and interface. It then guides the user through the life cycle of the instrument, including the recording of basic loan information, reference files, reports, drawings and debt service operations.

### *Registering an African Development Fund (AfDF) Loan in DMFAS*

This is an advanced tutorial involving an AfDF loan with different currencies in multiple tranches. It is intended mainly for the user who may have completed the introductory tutorial but who may wish to have more extensive practice with

DMFAS. This tutorial could also be used by new users who are comfortable with more elaborate exercises.

### *Query tool*

This tutorial focuses on the query tool, which is the bridge for accessing data in the DMFAS 6 database to create user-defined reports. It offers a review of basic technical concepts such as databases, SQL and queries and explains the query tool interface and the data sets returned. Finally, it provides 10 practical exercises to work with the query tool.

### *Recording a money market instrument*

A new tutorial on recording a money market instrument was finalized and delivered in 2018. This tutorial covers the use of both the auctions module and the debt securities module.

### *Technical documentation*

A new technical guide for *Customizing DMFAS 6* has been delivered. The document contains all the technical procedures and explanations required for customizing modules of DMFAS 6.

**New technical  
documentation  
available**

Regarding the *DMFAS 6 Installation Guide*, work related to the update of this documentation started in October 2018; the final output is expected for the first half of 2019.

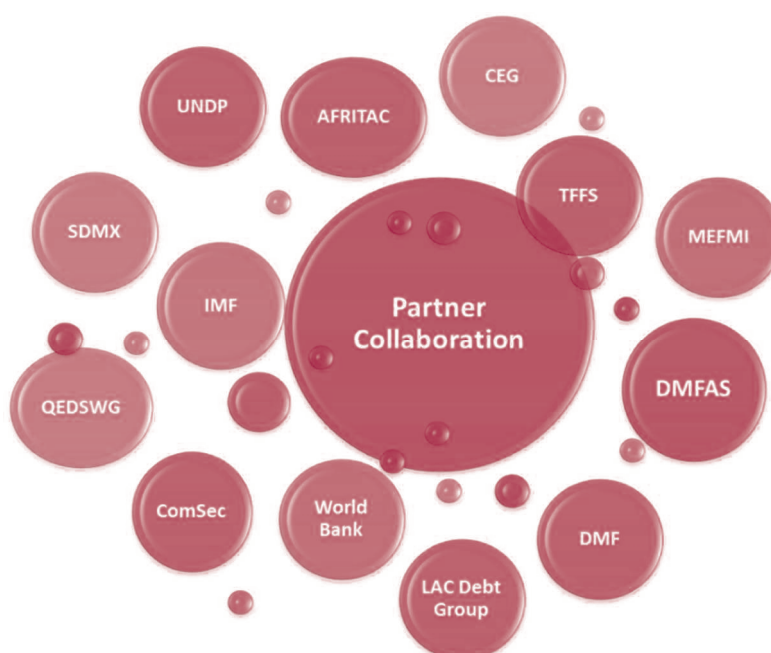
Finally, the *Installer Guide*, a technical document describing the DMFAS 6 updates installation process was reviewed and updated.

### 3.4 Programme management

As part of its efforts to improve overall efficiency and effectiveness under the second objective of the strategic plan, and in order to better deliver on the first objective, the Programme implemented a number of actions on the Programme's management administration and communication during the year.

In recent years, the technical assistance providers improved coordination in their capacity-building efforts using a more holistic approach to meeting the multifaceted challenges that developing countries face in building their debt-management capacities. The DMFAS Programme actively supports this coordinated and harmonized approach (figure 9).

**Figure 9. Partner collaboration**



#### Partner cooperation

In 2018, efforts by the Programme to strengthen its collaboration with the other main organizations involved in providing debt management included the regular sharing of information on technical assistance activities such as mission schedules and reports, and the organization of joint workshops and participation in each other's events. It provided resource persons for four international and regional seminars organized by other technical assistance providers. In addition, the list of Programme missions was distributed to stakeholders through the DMFAS newsletter and the DMFAS website, keeping them informed of the Programme's technical assistance activities.

Having contributed to the Debt Management Facility since its conception, the Programme officially became a partner of the Facility in 2009. Since then, the DMFAS Programme has contributed to 71 missions. Its participation in these Facility activities received positive feedback from the stakeholders of the Facility, as well as the country beneficiaries. In 2018, the following eight Debt Management Facility missions were completed: four debt management performance assessment missions (Republic of Moldova, Senegal, Uganda and Zambia), one medium-term debt strategy (MTDS) mission to Angola, one reform plan mission to Djibouti, an MTDS regional training session in Switzerland and a regional DeMPA training session in Côte d'Ivoire. In addition, the DMFAS Programme participated in the Debt Management Facility Stakeholders Forum held in Belgium in May 2018, and in the meetings of the DMF Implementation Coordination Group.

**Debt Management Facility (phase 2)**

**Eight collaborations under DMF in 2018**

The Programme collaborated with various departments involved in debt management within the World Bank. These include the World Bank Development Data Group and the Treasury department.

**World Bank**

In 2018, collaboration with the World Bank also included the Debtor Reporting System (DRS): the Programme both encourages and assists countries technically in providing information to DRS. In 2018, 89 per cent of DMFAS user countries with low- and middle-income levels effectively provided data for 2017 to the DRS database.

The Programme is also in regular contact with two main departments of the International Monetary Fund (IMF). These are the Statistics Department and the Monetary and Capital Markets Department.

**International Monetary Fund**

The Programme also collaborated, where possible, with IMF regional technical assistance centres in Central and West Africa (Central AFRITAC and West AFRITAC), with the shared objective of helping countries to strengthen their human and institutional capacities to design and enact policies that promote growth and reduce poverty.

The Programme has ongoing collaboration with the Macroeconomic and Financial Management Institute of Eastern and Southern Africa (MEFMI), which includes 14 countries from this region. Five of the countries belonging to MEFMI are DMFAS client countries, namely Angola, Rwanda, Uganda, Zambia and Zimbabwe. The Programme jointly organized with MEFMI a regional DMFAS 6 functional training session in Zimbabwe in September 2018. In addition, it mentored two MEFMI fellows, one IT expert and one debt expert.

**MEFMI**

The DMFAS Programme's collaboration with UNDP in 2018 included logistical support for certain country projects and information sharing with the UNDP

**UNDP**

country offices in DMFAS client countries, as well as collaboration through the “One United Nations” framework.

#### **LAC Debt Group**

With 14 active DMFAS client countries in the Latin American and Caribbean region, UNCTAD takes a keen interest in the regional capacity-building activities organized by the Latin American and Caribbean Debt Group and, where possible, coordinates activities. All DMFAS user countries in the region provide timely data to the standardized debt database, which is a non-compulsory initiative of the Group.

#### **Commonwealth Secretariat**

The DMFAS Programme, as stated in its strategic plan 2016–2019, committed to member countries to assist them to maintain reliable debt data and therefore improve the quality of their databases. Based on this, the DMFAS Programme and the Debt Management Unit of the Commonwealth Secretariat jointly worked on the development of a new methodology for debt data quality assessment (Debt-DQA), which aims to assess the quality of the databases recorded in debt management systems in conformity with international standards and best practices. The Debt-DQA methodology is based on best practices and international standards in debt management.

#### **Debt data quality assessment methodology**

Debt-DQA uses a set of standardized quality indicators with the aim of identifying problems within the different components of debt instruments over their entire life cycle. These problems are verified through the aid of an automated tool incorporated within debt management systems. In addition, Debt-DQA provides a process to analyse the sources of problems and proposes a plan with recommendations to improve the quality of the debt database. The methodology is comprehensive, as it includes a guidance note that describes the process for implementation, as well as technical documentation for the use of the automated tool. The tool was actively tested during 2018 to ensure that the methodology responds to the different sizes and composition of debt databases found in most countries. The Programme will be writing the user definitions and system’s specifications of the tool in early 2019.

In addition, Debt-DQA was designed to complement other assessment tools such as the debt management performance assessment, the data-quality assessment framework and the public expenditures and financial accountability framework. Debt-DQA adds granularity to all these initiatives, as it specifically targets the countries’ data recorded in debt management software. Debt management officers using the DQA tool will quickly appreciate its simplicity, practicality, speed and ease of use. A distinct aspect of the methodology is that it provides automatic assessment, as opposed to other tools that provide manual assessment.

## **Synergies within UNCTAD**

Within UNCTAD, the DMFAS Programme and the Debt and Finance Analysis Unit (its associate unit within the Debt and Development Finance Branch) collaborate and address debt issues jointly. In 2018, collaboration included the drafting of the report of the Secretary General to the General Assembly on external debt sustainability and development (A/73/180). Additional examples of collaboration included the preparation of UNCTAD reports for the Trade and Development Board, the UNCTAD secretariat and the Office of the Secretary-General of UNCTAD. This collaboration also included the sharing of one staff member.

The DMFAS Programme also contributed to a number of UNCTAD and United Nations reports. In 2018, these included the following:

- *UNCTAD Annual Report 2017*.
- Annual trust fund progress reports.
- Report by the UNCTAD secretariat on technical cooperation activities carried out in 2017 (cluster 11 on strengthening the debt-management capacity of developing countries).

In line with Trade and Development Board decision 492 (LIV) of 2007 to establish thematic trust funds within and among divisions of UNCTAD, the DMFAS Programme continued to play an active role in the implementation of a thematic cluster of technical cooperation in the area of debt management, namely cluster 11 of the 17 clusters, on strengthening the debt-management capacity of developing countries.

### **Effective resource mobilization and improved efficiency and effectiveness of the Programme's administration**

In line with the second objective of the strategic plan, the Programme continued to monitor and improve its efficiency. This is reflected in the points highlighted in the following sections.

The Quality Assurance and User Support Unit, which is responsible for supporting clients through the help desk and Trac system, continued to implement tight quality-control procedures. In 2018, this unit centralized all help desk queries into the Trac system, which helped provide better service to its clients and to respond effectively and efficiently to all users. The unit has also implemented thorough testing procedures for new deliverables of DMFAS 6 (release 6.1.3 and 6.1.3.2).

**Quality assurance  
and user support**



## Results-based monitoring and evaluation

In line with the second objective of the strategic plan, the DMFAS Programme continued applying the monitoring and evaluation framework. This includes the systematic development of logical frameworks with verifiable indicators of progress for all projects and more transparent and inclusive involvement of stakeholders. In 2018, the Programme continued to implement and improve the monitoring of progress made at the country level using its monitoring and evaluation framework based on refined DMFAS performance indicators. In addition, the Programme continued to conduct national evaluations of the effectiveness of the DMFAS 6 functional training delivered in 2018.

## Midterm review

In addition, the Programme mandated an independent evaluator to conduct a midterm review of the implementation of the 2016–2019 strategic plan. The report highlights the continued relevance of the Programme and the high positive impact on core areas of public debt management relevant to debt data transparency. It further recognizes the general satisfaction among beneficiary countries, donors and partners. Noting the importance of the Programme's focus on data recording and reporting and capacity-building, it makes useful recommendations for further strengthening the impact of the support provided by the DMFAS Programme that will contribute to the development of the next strategic plan. Evaluation of DMFAS projects contributes to assessing the Programme's effectiveness, ensuring accountability to stakeholders and strengthening internal coordination while facilitating information sharing, workflow and learning. The conclusions will be presented to the Advisory Group that will meet in November 2019. Lessons learned and recommendations will also be integrated in the development of the next strategic plan.

## Communications and information sharing, within and outside the Programme

### DMFAS website

The number of DMFAS users registered in the client area continued to increase in 2018. At the end of 2018, 79 per cent of active DMFAS countries had at least one user registered in the client area (71 per cent of institutions). The website contains up-to-date information on DMFAS activities, documentation and releases of the software. Among the most downloaded pages are the technical and user documentation files and the capacity-building material, Debt Management Conference presentations and the DMFAS newsletters. Among the documents available in different languages, 39 per cent are downloaded in English, 35 per cent in Spanish and 26 per cent in French.

### Three DMFAS newsletters

In addition, the Programme continued to produce its electronic newsletter, presenting in a short and attractive format the leading trends and activities in the work of the DMFAS Programme. Three issues of the DMFAS newsletter were published, in April, August and December, and were posted on the Programme's website in English, French and Spanish.



## **4. Funding and expenditures in 2018**

This section presents an overview of the Programme's financial situation in 2018.

The information presented here is not an official financial statement from UNCTAD. It is based on available data at the time of writing and subject to change.

DMFAS activities are financed through a central trust fund and various country project trust funds. The central trust fund finances the core activities of the DMFAS Programme, such as the help desk, training and documentation, system maintenance and development, quality assurance and user support and Programme management. The country project trust funds finance activities of each project activities, which are defined and agreed with beneficiary countries through a project document.

### ***4.1 Central trust fund of the DMFAS Programme***

The resources of the central trust fund can be classified under the following four main categories:

- Donor contributions.
- Cost sharing by beneficiary countries and institutions.
- Cost recovery for project activities and services.
- Support from UNCTAD.

Table 3 provides an overview of the income for the DMFAS central trust fund in 2018.

**Table 3. Income for the DMFAS central trust fund, 2018**

(United States dollars)

<i>BALANCE AS OF 1 JANUARY 2018</i>	<i>1 288 511</i>
<b>INCOME</b>	
<b>Donor contributions</b>	1 261 160
Germany	580 623
Ireland	114 286
Netherlands	566 251
Switzerland*	
<b>Cost sharing</b>	1 295 662
Maintenance fees	563 602
Development contributions	161 237
From country projects funded by Governments	570 823
<b>Cost recovery (including payments for services)</b>	523 086
From country projects funded by donors	375 035
Payments for services (DMF and other)	148 051
<b>UNCTAD contribution</b>	984 849
In kind	868 427
Financial	116 422
<b>Adjustments (including accrued interests)</b>	39 909
<b>TOTAL INCOME</b>	<b>5 393 177</b>

\* No figure, as the contribution was made in 2017 for the 2017–2018 biennium.

#### 4.1.1 Donor contributions

At the end of 2018, donor support received amounted to \$1.26 million, as shown in table 3, with contributions from Germany, Ireland and the Netherlands. The contribution of Switzerland of CHF 1.5 million was recorded in 2017 but covers the biennium 2017–2018.

A history of donor contributions since the implementation of the central trust fund in 2002 is available in annex 7. During the past strategic plan 2011–2015, on average the total yearly contributions from bilateral donors was close to \$2.6 million.

#### *4.1.2 Cost sharing and cost recovery*

A particular feature of the DMFAS Programme compared with other technical cooperation programmes is that it generates a large part of its income for the DMFAS central trust fund from cost sharing with beneficiaries. The following two mechanisms have been designed to ensure effective cost sharing and to cover part of the Programme's running costs: maintenance fees and development contributions. Annual maintenance fees and development contributions are graduated according to the economic level of beneficiary countries.

##### *Maintenance agreements and fees*

Maintenance agreements are offered to new beneficiary institutions when DMFAS is installed. Agreements are signed on a voluntary basis. They contribute to the financing of help-desk support provided by the Programme at the request of the client.

As shown in table 4, maintenance fees are highly relevant as a source of constant and relatively regular income for the Programme. The year 2018 marks the seventeenth year since maintenance fees have been implemented, with a total of \$5,033,564 having been collected since 2002.

The trend in the number of signed agreements on maintenance fees is stable in 2018, as approximately 90 per cent of the institutions that benefit from DMFAS have signed an agreement. Annex 8 presents the evolution of signed maintenance agreements and payments of maintenance fees since the implementation of the cost-sharing mechanism.

##### *Development contributions*

Development contributions were created to contribute to the enhancement of the DMFAS software. These contributions are made by the beneficiary institution when DMFAS is installed. In 2018, development contributions were received from Argentine Provinces of La Rioja and Rio Negro, Burkina Faso, Ecuador and Eritrea and for a total of \$161,237.

##### *Recovery from project activities*

In accordance with the Programme's cost-recovery policy, the time dedicated by DMFAS staff to projects is recovered from project budgets. This recovery is considered as cost sharing when the projects are funded by the budget of beneficiary Governments, and as cost recovery when they are funded by direct contributions from donors. In 2018, the overall amount recovered for DMFAS staff time dedicated to project activities (undifferentiated between cost sharing and cost recovery) reached \$945,858. This level of recovery was higher than in 2017 and was the second highest recovery in the history of the DMFAS Programme.

**Table 4. Income from cost sharing and recovery, 2002–2018**

(United States dollars)

YEAR	MAINTENANCE FEES	DEVELOPMENT CONTRIBUTIONS	STAFF TIME RECOVERY
2002	9 967	-	
2003	104 933	-	
2004	150 689	-	374 230
2005	189 709	183 000	396 742
2006	226 379	32 000	200 003
2007	198 636	50 000	386 000
2008	199 526	117 910	256 455
2009	268 232	210 000	513 246
2010	263 491	225 000	349 715
2011	290 470	712 500	889 606
2012	242 464	262 500	907 600
2013	399 785	200 000	640 884
2014	501 363	162 500	707 041
2015	393 941	346 128	583 444
2016	517 029	224 975	1 388 499
2017	513 348	212 500	909 377
2018	563 602	161 237	945 858
<b>TOTAL FOR 2002–2018</b>	<b>5 033 564</b>	<b>3 100 250</b>	<b>9 448 700</b>

Notes: 2014 was an exceptional year due to the payment by numerous countries of back payments; 2011 was an exceptional year for development contributions due to the launch of V6 and its installation in many countries.

#### *Recovery for third-party services*

Income was also received as payment for services rendered in the form of cost recovery such as to the Debt Management Facility. In 2018, such income reached \$148,450.

#### *4.1.3 Institutional support from UNCTAD*

UNCTAD supports the DMFAS Programme by financing five posts and a part-time position from its regular budget. The professional category staff members supported by the regular budget of UNCTAD are the chief of the Programme, the Programme officer, one project manager and 40 per cent of the time of an

associate economics affairs officer. Two general services staff members are also employed in the Administration and Communication Unit.

#### **4.2 Expenditures of the central trust fund**

Expenditures are divided into two main categories, personnel and non-personnel. Personnel expenditures include core staff of the Programme financed by regular budget and extrabudgetary sources. Non-personnel expenditures include travel, system development, consultancy services, training, conference costs, equipment and miscellaneous items.

Overall, expenditures in 2018 compared with those of 2017 reflect an increase of \$132,365. This was primarily due to higher personnel costs, which increased by 2.9 per cent compared with 2017, following significant cuts equivalent of 10 per cent of total costs by reducing the number of posts in the previous four years. This increase in personnel costs over 2018 was due to a slight increase in staffing for DMFAS 7 development. In addition, non-staff expenditures remained nearly the same in 2018 compared with 2017. However, this increase followed a series of four years of cuts, down from \$660,000 in 2013.

**Table 5. DMFAS Programme expenditures, 2018**  
(United States dollars)

<i>EXPENDITURES</i>	
<b>Personnel</b>	4 621 348
Central team	3 752 921
Regular budget staff	868 427
<b>Non-personnel</b>	295 538
Joint partner activities	30 490
IT systems development	170 645
Capacity-building	26 852
Programme monitoring and evaluation	64 468
Miscellaneous	3 083
<b>TOTAL EXPENDITURES</b>	<b>4 916 886</b>
<b>CLOSING BALANCE</b>	<b>476 291</b>

*Note:* Central team and regular budget staff costs include total DMFAS personnel costs, including portions paid through cost sharing, cost recovery and UNCTAD contributions.

The closing balance at the end of 2018 is lower than in previous years. Therefore, DMFAS will require contributions from donors earlier than usual in 2019.

### 4.3 Budget

DMFAS Programme budget needs were based on the full implementation of the four-year strategic plan for 2016–2019. Financing all these needs would have been an ideal situation where all foreseen activities in the strategic plan would be achieved. Table 6 compares the full financing of the strategic plan (scenario 1) to the actual budget (scenario 2). The strategic plan was not fully financed in 2016, 2017 and 2018, due to the shortfall in budgeted donor funding. Scenario 2 in table 6 details the level of financing reached, which resulted in delays in some core activities.

**Table 6. Budget for DMFAS strategic plan, 2016–2019**

(United States dollars)

	<i>Scenario 1 (full implementation)</i>				<i>Scenario 2 (actual implementation)</i>		
	<i>2016</i>	<i>2017</i>	<i>2018</i>	<i>2019</i>	<i>2016</i>	<i>2017</i>	<i>2018</i>
Personnel	5 196 008	5 351 888	5 512 444	5 677 818	4 410 352	4 479 952	4 621 349
Joint partner activities	118 000	121 540	125 186	128 942	60 962	45 015	30 490
Capacity-building	350 000	410 500	368 270	432 454	-	8 115	26 852
IT systems development	421 000	601 980	627 012	444 822	194 266	237 028	170 645
Programme monitoring and evaluation	32 000	32 960	233 949	34 967	-	-	64 468
Miscellaneous	38 500	62 130	37 470	38 570	9 220	3 581	3 083
Contingency (4%)	246 220	263 240	276 173	270 303			
<b>Total</b>	<b>6 401 728</b>	<b>6 844 238</b>	<b>7 180 504</b>	<b>7 027 876</b>	<b>4 674 800</b>	<b>4 773 691</b>	<b>4 916 887</b>

Compared with the first scenario, the implementation of DMFAS at the scenario 2 level has resulted in fewer activities and some activities being reduced in scope.

### 4.4 Country-specific project trust funds

Country-specific activities (that is, those that deliver the core products and services at the country level) are mostly financed on a bilateral basis by ad hoc country trust funds.

The different sources of financing for country-project trust funds are the beneficiaries themselves, bilateral donors and other international organizations and institutions, such as the European Commission, regional development banks, UNDP and the World Bank. More and more middle-income countries are fully financing their national projects, paying directly for the products and services delivered by the Programme.

In 2018, expenditures from country-specific trust funds amounted to \$1,743,404 to deliver technical assistance in 32 institutions. Table 7 provides a breakdown of the list of countries by budget, expenditures and final balance available. The number of countries listed in table 7 does not necessarily coincide with the total number of countries and institutions using DMFAS. A number of these are active DMFAS users which continue to receive support without funding for specific project activities.

**Table 7. Country project trust funds and project expenditures: Available funding and expenditures, 2018**

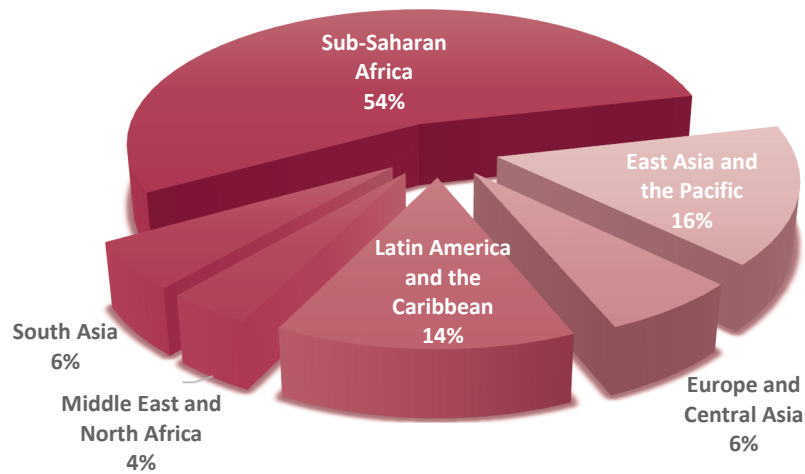
(United States dollars)

<i>Country (funding source)</i>	<i>Budgeted funds</i>	<i>Expenditures</i>	<i>Balance</i>
Albania	37 798	33 096	4 703
Angola	297 445	115 012	182 433
Argentina, La Rioja	5 180	1 935	3 244
Argentina, Rio Negro	93 977	47 507	46 470
Azerbaijan	18 563	18 563	-
Bangladesh	73 970	73 534	436
Bolivia (Plurinational State of)	143 500	39 977	103 523
Burkina Faso	273 030	71 629	201 401
Costa Rica	7 225	5 849	1 376
Côte d'Ivoire	189 025	19 652	169 373
Ecuador, Ministry of Finance	140 915	116 002	24 913
Ecuador, Central Bank	15 500	15 500	-
Egypt	62 124	62 124	-
Eritrea	147 634	94 311	53 323
Ethiopia	91 013	10 816	80 197
Gabon	180 186	9 299	170 887
Guinea-Bissau	329 388	163 788	165 600
Honduras	14 634	8 337	6 298
Iraq	63 856	7 150	56 706
Kyrgyzstan	19 388	19 388	-
Republic of Moldova	52 804	11 386	41 418
Pakistan	50 000	22 087	27 913
Philippines	1 038 243	275 823	762 420
Rwanda	55 415	29 013	26 402
Sudan	156 201	57 344	98 857
Tajikistan	27 327	27 327	-
Togo	271 550	262 868	8 683
Uzbekistan	2 810	2 810	-
Venezuela (Bolivarian Republic of)	26 965	5 179	21 786
Zambia	198 723	83 379	115 344
Zimbabwe	40 100	32 721	7 379
<b>Total</b>	<b>4 124 489</b>	<b>1 743 404</b>	<b>2 381 085</b>

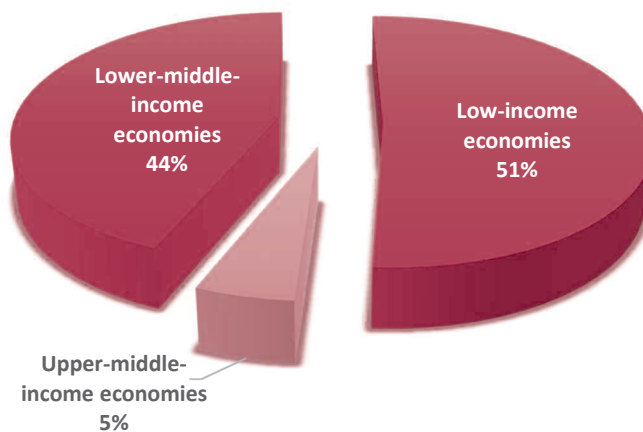
*Note:* Figures in budgeted funds, expenditures and balance include Programme support costs. Only trust funds with activities in 2018 are included.

Figures 10 and 11 show the regional distribution and the income-level distribution of country project expenditures. Projects in East Asia and the Pacific accounted for 16 per cent of total expenditures, sub-Saharan Africa for 54 per cent, Latin America and the Caribbean for 14 per cent, the Middle East and North Africa for 4 per cent, South Asia for 6 per cent and Europe and Central Asia for 6 per cent. In terms of income-group distribution, figure 12 shows that the highest portion (95 per cent) of the Programme’s project expenditures was in low-income and lower-middle-income economies.

**Figure 10. Country-project expenditures: Regional distribution as a percentage of total expenditures, 2018**



**Figure 11. Country-project expenditures: Income-level distribution as a percentage of total expenditures, 2018**





## CHALLENGES AND THE WAY FORWARD

During the year, the Programme faced a number of challenges.

In debt management offices, a recurrent challenge faced by developing countries in managing debt is dealing with high staff turnover and the updating of skills, organizational procedures and information management systems in order to keep pace with the dynamic changes in global finance and public financial management practices. As in previous years, 2018 saw a continuation of high demand for capacity-building missions outside the scope of formal technical assistance projects. The Programme thus needed to factor these realities into its support interventions, maintaining adequate flexibility and providing more opportunities for self-learning to address these needs.

**High staff turnover and need for repeated training**

The number of central banks monitoring private non-guaranteed external debt is still low. Increasing coverage of private non-guaranteed external debt is a challenge that will require particular attention in the future.

**Private non-guaranteed external debt**

The security situation in countries directly affects the work by the debt office. Experience has shown that consequences of conflicts range from important changes in staffing in the debt office to the destruction of the debt database. In such situations, UNCTAD support is key to helping countries rebuild their capacities to effectively manage public debt.

**Conflicts**

To keep up with the evolution of technology and adapt the system to changes in debt-management practices, the Programme has started the development of the seventh major version of DMFAS. Despite significant progress in the development of DMFAS 7 in relation to the architectural baseline of the new versions, some development activities for DMFAS 7 had to be postponed owing to a shortage of resources.

**Technology**

Facilitating the development of links between the DMFAS software and other financial management systems requires countries to have the capacity to program and maintain the links. However, a number of countries are still dependent upon DMFAS IT support and do not have the necessary resources to maintain the links in the long term. Considering the limited resources, requests made to the Programme to fully develop these links need to be carefully examined.

**Links with other financial systems**

The Programme continues to receive high demand for remote IT support for which it was necessary to allocate resources. Responding to unplanned clients' requests, required the Programme to frequently adjust its work plan. This had an impact on the delivery of other services and activities to clients.

**High demand for IT support**

**Multi-language software**

The DMFAS software is available in four languages, English, French, Russian and Spanish. Ensuring that the interface, the documentation (technical and functional) and the capacity-building material are translated promptly according to high-quality standards is also a challenge for the Programme.

**Programme financing**

The available funding for the full implementation of the strategic plan 2016–2019 has increased but has not yet been fully secured. The Programme worked in 2018 at the level of scenario 2, which includes all core operations. In line with the recommendations of the Advisory Group, the Programme has also continued its efforts to identify new donors and has further strengthened its cost-recovery process. While working on securing additional funding, the Programme has prioritized tasks to service clients and maintain high-level quality training and software. However, this prioritization also has an impact on the core activities of the Programme, including on further development of the DMFAS system, in particular in relation to version 7, and on the finalization of new capacity-building products.

**Regional offices**

The Programme continued its efforts to seek funding for the creation of two regional offices. Initial steps were taken with MEFMI to set up the joint regional office in Harare. However, funding is insufficient to enable the Programme to make progress in this area.

**Focus on debt data transparency**

In 2018, all the Programme's partners emphasized the importance of debt data transparency. The Group of 20 called for greater transparency, both from debtors and creditors, while the United Nations General Assembly recalled that timely and comprehensive data on the level and composition of debt are necessary for, inter alia, building early warning systems aimed at limiting the impact of debt crises. This underlines the key role of the technical assistance providers in the downstream area of debt management, including the DMFAS Programme.

# ANNEX 1

## DEBT MANAGEMENT AND FINANCIAL ANALYSIS SYSTEM RESULTS

Objective	Expected result	Results at the end of 2018	Impact	SDGs of focus
<p>1. Improve the technical and functional capacity of debt management offices (DMOs) to:</p> <ul style="list-style-type: none"> <li>record</li> <li>process</li> <li>monitor</li> <li>report</li> <li>analyse the country's public debt.</li> </ul>	<p>1.1 Government information systems for effectively managing complete, up-to-date and reliable debt databases.</p> <p>1.2 Enhanced knowledge of national DMOs of debt management procedures and best practices.</p> <p>1.3 More effective debt reporting and improved accessibility/availability of debt information.</p> <p>1.4 Improved operational risk management.</p> <p>1.5 Strengthened integration of debt management within Public Finance Management (PFM).</p> <p>1.6 Facilitated debt analysis.</p>	<ul style="list-style-type: none"> <li>89% of user countries capture public and publicly guaranteed debt in DMFAS.</li> <li>69% of DMOs responsible for domestic debt record it in DMFAS.</li> <li>697 participants from 39 countries were trained in 2018.</li> <li>89% of DMFAS countries report to DRS.</li> <li>56% report to QEDS and 46% to QPSD.</li> <li>39 DMFAS countries produce a debt statistics bulletin.</li> <li>23 countries have a procedures manual.</li> <li>20 countries have a disaster recovery and business continuity plan.</li> <li>23 institutions have linked DMFAS with another system.</li> <li>23 DMFAS countries produce a DPR at least once a year.</li> <li>49 DMFAS countries use the system to produce MTDS.</li> <li>48 countries use the system to produce DSA.</li> </ul>	<ul style="list-style-type: none"> <li>Governments manage their debt effectively and sustainably, in support of poverty reduction, development and good governance</li> </ul>	<p>17 PARTNERSHIPS FOR THE GOALS</p>  <p>Direct: Target 17.4, assist long-term debt sustainability in developing countries through coordinated policies (SDG 17.4.1, debt service as a proportion of exports of goods and services)</p>
<p>2. Improve the capacity of the DMFAS Programme.</p>	<p>2.1. Major new DMFAS version developed.</p> <p>2.2 DMFAS 6 enhanced.</p> <p>2.3 New, more comprehensive capacity-development framework.</p> <p>2.4 More cooperation with other providers.</p> <p>2.5 Improved service delivery.</p> <p>2.6 More stable financing for Programme's activities.</p> <p>2.7 Two regional centres established.</p>	<ul style="list-style-type: none"> <li>Progress in DMFAS 7 development.</li> <li>Progress in DMFAS 6 enhancement: three releases of DMFAS 6 in 2018.</li> <li>Two new self-learning capacity-building modules released and one new course on procedures; 13 fact sheets on basic debt concepts released, four tutorials released.</li> <li>Cooperation in 2018: four partner events, eight DMF collaborations.</li> <li>Regional centres: pending funding.</li> <li>Progress in cost recovery.</li> </ul>	<p>Indirect:</p> 	

## ANNEX 2

### USE OF DMFAS INSTALLATIONS IN COUNTRIES IN 2018

The table columns, from left to right, show the following information:

- **Country:** Country using DMFAS software.
- **Institution:** Institution within the country that uses DMFAS software, usually either in the finance ministry (MoF) or the central bank (CB), or other type of debt management unit.
- **Start date in institution:** Year of the first project for the implementation of DMFAS and related services in the institution.
- **Type of installation:** Indicates where the main server is located (main installation) or if a remote access is used.
- **Language of software:** The software is installed either in Arabic (AR), English (EN), French (FR), Russian (RU) or Spanish (SP).
- **Access rights:** Indicates whether the institution has full or partial access rights or read-only access to the debt database; access rights depend on debt management responsibilities and mandates of the respective institution.
- **Version currently used:** Indicates the version of DMFAS currently used by the institution.  
\* Indicates that DMFAS 6 was installed but not used in the debt management office.
- **Inactive DMFAS countries:** Countries or institutions no longer using DMFAS are enclosed in parentheses and shown in italics.

Country	Institution	Start date in institution	Type of installation		Language of software	Access rights			Version currently used	
			Main installation	Remote access		Full	Partial	Read only	5.3	6
Albania	MoF	1998	✓		EN	✓				✓
Algeria	CB	2005	✓		FR	✓			✓	
Angola	CB	1999		✓	SP			✓		
	MoF	2015	✓			✓				✓
Argentina	MoF	1993	✓		SP	✓				✓
	Province of Rio Negro	2000	✓		SP	✓				✓
	Province of Chaco	2001	✓		SP	✓			✓	
	Province of Buenos Aires	2011	<i>Inactive</i>							
	Province of La Rioja	2015	✓		SP	✓				✓
Armenia	MoF	2011	✓		EN	✓				✓
Bangladesh	MoF	1992	✓		EN	✓				✓
	CB	2002		✓	EN	✓				✓
<i>(Belarus)</i>	<i>MoF</i>	<i>1994</i>	<i>Inactive</i>							
Bolivia (Plurinational State of)	MoF	1994	✓		SP	✓			✓	
	CB	1994	✓		SP	✓			✓	
Burkina Faso	MoF	1997	✓		FR	✓				✓
Burundi	MoF	1987	✓		FR	✓				✓
Cambodia	MoF	2007	✓		EN	✓				✓

Country	Institution	Start date in institution	Type of installation		Language of software	Access rights			Version currently used	
			Main installation	Remote access		Full	Partial	Read only	5.3	6
Central African Republic	MoF	1995	✓		FR	✓				✓
Chad	MoF	2000	✓		FR	✓			✓	
Chile	CB	2003	✓		SP	✓			✓	
(Colombia)	MoF	2001	Inactive							
Congo	MoF	2003	✓		FR	✓				✓
Costa Rica	MoF	1988	✓		SP	✓				✓
	CB	1988		✓	SP			✓		
Côte d'Ivoire	MoF	1998	✓		FR	✓				✓
Democratic Republic of the Congo	MoF	2005	✓		FR	✓				✓
Djibouti	MoF	1986	✓		FR	✓			✓	
Dominican Republic	MoF	1996	✓		SP	✓				✓
	(CB)	1996	Inactive							
Ecuador	MoF	1995	✓		SP	✓				✓
	CB	1995	✓		SP	✓				✓
Egypt	MoF	2008	✓		EN	✓			✓	*
	CB	1986	✓		EN	✓				✓
El Salvador	MoF	1988	✓		SP	✓				✓
Eritrea	MoF	2018	✓		EN	✓				✓
Ethiopia	MoF	1988	✓		EN	✓				✓
Gabon	MoE	2001	✓		FR	✓				✓
Georgia	MoF	1998	✓		EN	✓				✓
Guatemala	MoF	1988	✓		SP	✓				✓
Guinea-Bissau	MoF	1997	✓		SP	✓				✓
Haiti	CB	1985		✓	FR		✓			
	MoF	2009	✓		FR	✓			✓	
Honduras	MoF	1988	✓		SP	✓				✓
	CB	1988		✓	SP			✓		
	Supreme Court of Accounts	2008		✓	SP			✓		
	ENNE	2018		✓	SP			✓		
Indonesia	MoF	1988	✓		EN	✓				✓
	CB	2004	✓		EN	✓				✓
Iran (Islamic Republic of)	CB	1997	✓		EN	✓				✓
Iraq	MoF	2005	✓		EN	✓				✓
	CB	2005		✓	EN			✓		
Jordan	MoF	1998	✓		EN	✓				✓
(Kazakhstan)	MoF	1996	Inactive							
	CB	1996	Inactive							

Country	Institution	Start date in institution	Type of installation		Language of software	Access rights			Version currently used	
			Main installation	Remote access		Full	Partial	Read only	5.3	6
	<i>Exim Bank</i>	1996	<i>Inactive</i>							
Lao People's Democratic Republic	MoF	2011	✓		EN	✓			✓	
Lebanon	MoF	1993	✓		EN	✓				✓
	CB	1993		✓	EN			✓		
	CDR	1993		✓	EN			✓		
<i>(Lithuania)</i>	<i>MoF</i>	<i>1999</i>	<i>Inactive</i>							
Madagascar	MoF	2001	✓			✓				✓
	CB	2001		✓			✓			
Mauritania	MoF	1995	✓		FR	✓				✓
Mongolia	MoF	2001	✓		EN	✓				✓
	<i>(CB)</i>	<i>2001</i>	<i>Inactive</i>							
Nicaragua	MoF	1997	✓		ES	✓				✓
	CB	1988	✓		ES	✓				✓
Oman	MoF	2010	✓		AR	✓			✓	
Pakistan	MoF	1985	✓			✓			✓	
	<i>(CB)</i>	<i>1985</i>	<i>Inactive</i>							
Panama	MoF	1997	✓		SP	✓				✓
Paraguay	MoF	1996	✓			✓				✓
	CB	1996		✓			✓			
	<i>(MoP)</i>	<i>1996</i>	<i>Inactive</i>							
<i>(Peru)</i>	<i>MoF</i>	<i>1998</i>	<i>Inactive</i>							
Philippines	MoF	1987	✓		EN	✓				✓
	CB	2008	✓		EN	✓			✓	
Republic of Moldova	MoF	1997	✓			✓				✓
	CB	1997	✓			✓				✓
Romania	MoF	1993	✓			✓			✓	
	CB	1993	✓			✓			✓	
Rwanda	MoF	1990	✓		EN	✓				✓
	<i>(CB)</i>	<i>2000</i>	<i>Inactive</i>							
<i>(Sao Tome and Principe)</i>	<i>MoF</i>	<i>1997</i>	<i>Inactive</i>							
	<i>CB</i>	<i>1997</i>	<i>Inactive</i>							
<i>(Senegal)</i>	<i>MoF</i>	<i>1997</i>	<i>Inactive</i>							
Sudan	CB	1998	✓		EN		✓		✓	
	MoF	2016	✓		EN		✓			✓
Syrian Arab Republic	CB	2001	✓		AR	✓			✓	
<i>(The former Yugoslav Republic of Macedonia)</i>	<i>CB</i>	<i>1999</i>	<i>Inactive</i>							
Togo	MoF	1984	✓		FR	✓				✓

Country	Institution	Start date in institution	Type of installation		Language of software	Access rights			Version currently used	
			Main installation	Remote access		Full	Partial	Read only	5.3	6
(Trinidad and Tobago)	CB	1985	Inactive							
	MoF	1985	Inactive							
(Turkmenistan)	CB	2001	Inactive							
Uganda	MoF	1985	✓		EN	✓				✓
	CB	1985	✓		EN	✓				✓
(Ukraine)	MoF	1995	Inactive							
Uzbekistan	MoF	2016	✓		RU	✓				✓
Venezuela (Bolivarian Republic of)	MoF	1998	✓		SP	✓				✓
Viet Nam	MoF	1996	✓		EN	✓			✓	
(Yemen)	MoF	1999	Inactive							
	CB	1999	Inactive							
	Ministry of Planning	1999	Inactive							
Zambia	CB	1986		✓	EN	✓				✓
	MoF	1986	✓		EN	✓				✓
Zimbabwe	CB	1986		✓	EN		✓		✓	
	MoF	1986	✓		EN	✓				✓
<b>57 current country users</b>	<b>84 active institutions</b>		<b>70 main installations and 14 with remote access</b>						<b>19</b>	<b>54</b>

## ANNEX 3

### SCOPE OF DMFAS USE IN COUNTRIES IN 2018

**Coverage of DMFAS databases:** Describes what type of debt is being managed using the DMFAS installation (s) in each country.

**Reporting and analysis:** This section of the table describes whether a country is producing a statistical bulletin, defined as the existence of a stand-alone compilation of debt information published within the last 18 months which covers, at a minimum, composition and evolution of the debt stock and projection of debt services. This section also shows whether a country is producing a debt portfolio review, defined as the existence of a stand-alone compilation of debt information published within the last 18 months which covers the following: up-to-date situation of the existing debt portfolio and factors underpinning its evolution, composition and structure of the debt portfolio, debt ratios: values and trends, cost indicators and risk indicators (interest risk, currency risk, refinancing risk).

**Operational risk management:** This section of the table describes whether a country's debt management office has produced a procedures manual covering the major back office operations including, at a minimum, data entry, processing of debt transactions (disbursements, debt servicing), validation and reporting of debt, use of DMFAS and storage of agreements and transaction records. This manual has been validated by the head of the debt management office and updated within the last two years. This section also shows whether there exists within the country's debt management office a disaster recovery plan consisting of a documented set of procedures or arrangements to recover and protect the DMFAS installation in the event of a disaster. These arrangements specify actions and measures to be taken before, during and after a disaster. The relevant staff has received instructions on how to follow these procedures; these have been validated by the head of the debt management office and have been tested at least once in the last 18 months.

	<i>Coverage of DMFAS databases</i>			<i>Reporting and analysis</i>		<i>Operational risk management</i>	
	<i>Central government external debt</i>	<i>Central government domestic debt</i>	<i>CB monitoring private external debt using DMFAS</i>	<i>Statistical bulletin</i>	<i>Debt portfolio review</i>	<i>Procedures manual</i>	<i>Disaster recovery arrangements</i>
Albania	✓	✓	No	✓	✓		
Algeria	✓		Yes	✓		✓	✓
Angola	✓	✓	Yes	✓		✓	✓
Argentina	✓	✓	No	✓	✓	✓	
Armenia	✓	✓	No	✓			
Bangladesh	✓		Yes			✓	
Bolivia (Plurinational State of)	✓	✓	No	✓		✓	✓
Burkina Faso	✓	✓	No	✓	✓		
Burundi	✓	✓	No				
Cambodia	✓		No	✓	✓	✓	
Central African Republic	✓	✓	No				
Chad	✓		No				
Chile	✓		Yes				✓



	Coverage of DMFAS databases			Reporting and analysis		Operational risk management	
	Central government external debt	Central government domestic debt	CB monitoring private external debt using DMFAS	Statistical bulletin	Debt portfolio review	Procedures manual	Disaster recovery arrangements
Congo	✓		No	✓	✓		
Costa Rica	✓		No	✓	✓	✓	✓
Côte d'Ivoire	✓	✓	No	✓		✓	
Democratic Republic of the Congo	✓	✓	No	✓		✓	
Djibouti	✓	✓	No				
Dominican Republic	✓	✓	No	✓	✓		
Ecuador	✓	✓	Yes	✓	✓		✓
Egypt	✓	✓	Yes				
El Salvador	✓	✓	No			✓	✓
Eritrea	✓	✓	No				
Ethiopia	✓	✓	No	✓	✓		
Gabon	✓	✓	No	✓			✓
Georgia	✓	✓	No	✓	✓	✓	
Guatemala	✓	✓	No	✓			
Guinea-Bissau	✓	✓	No				
Haiti	✓	✓	No	✓			
Honduras	✓	✓	Yes	✓	✓	✓	
Indonesia	✓	✓	No	✓	✓	✓	✓
Iran (Islamic Republic of)	✓		Yes	✓			
Iraq	✓		No				✓
Jordan	✓	✓	No	✓		✓	
Lao People's Democratic Republic	✓		No				
Lebanon	✓	✓	No	✓	✓		✓
Madagascar	✓	✓	Yes	✓	✓	✓	✓
Mauritania	✓		No				
Mongolia	✓		No				✓
Nicaragua	✓	✓	Yes	✓		✓	✓
Oman	✓		No				
Pakistan	✓		No	✓	✓		✓
Panama	✓	✓	No	✓	✓		
Paraguay	✓	✓	No	✓	✓		
Philippines	✓	✓	Yes	✓	✓		✓
Republic of Moldova	✓	✓	Yes	✓	✓	✓	✓
Romania	✓	✓	Yes	✓	✓	✓	✓
Rwanda	✓	✓	No			✓	
Sudan	✓	✓	No	✓	✓		✓
Syrian Arab Republic	✓		No				

	Coverage of DMFAS databases			Reporting and analysis		Operational risk management	
	Central government external debt	Central government domestic debt	CB monitoring private external debt using DMFAS	Statistical bulletin	Debt portfolio review	Procedures manual	Disaster recovery arrangements
Togo	✓	✓	No	✓	✓	✓	
Uganda	✓	✓	No	✓		✓	✓
Uzbekistan	✓		No	✓			
Venezuela (Bolivarian Republic of)	✓	✓	No	✓			
Viet Nam	✓	✓	No	✓	✓	✓	
Zambia	✓		Yes			✓	
Zimbabwe	✓	✓	Yes			✓	

## ANNEX 4

### BREAKDOWN OF DMFAS CLIENT COUNTRIES ACCORDING TO INCOME GROUP, 2018

<i>Low-income countries</i>	<i>Lower-middle-income countries</i>	<i>Upper-middle-income countries</i>	<i>High-income countries</i>	<i>Total</i>
<b>Current (15)</b>	<b>Current (23)</b>	<b>Current (15)</b>	<b>Current (4)</b>	<b>57</b>
Burkina Faso (HIPC)	Angola	Albania	<b>Argentina</b>	
Burundi (HIPC)	Bangladesh	Algeria	Chile	
Central African Republic (HIPC)	Bolivia (Plurinational State of)	<b>Armenia</b>	Oman	
Chad (HIPC)	Cambodia	Costa Rica	<b>Panama</b>	
Democratic Republic of the Congo (HIPC)	Congo (HIPC)	Dominican Republic		
Eritrea (HIPC)	Côte d'Ivoire (HIPC)	Ecuador		
Ethiopia (HIPC)	Djibouti	Gabon		
Guinea-Bissau (HIPC)	Egypt	<b>Guatemala</b>		
Haiti (HIPC)	El Salvador	Iran (Islamic Republic of)		
Madagascar (HIPC)	Georgia	Iraq		
Rwanda (HIPC)	Honduras (HIPC)	<b>Jordan</b>		
<b>Syrian Arab Republic</b>	Indonesia	Lebanon		
Togo (HIPC)	Lao People's Democratic Republic	Paraguay		
Uganda (HIPC)	Mauritania (HIPC)	Romania		
Zimbabwe	Mongolia	Venezuela (Bolivarian Republic of)		
	Nicaragua (HIPC)			
	Pakistan			
	Philippines			
	Republic of Moldova			
	Sudan (HIPC)			
	Uzbekistan			
	Viet Nam			
	Zambia (HIPC)			

Source: World Bank, available at [http://data.worldbank.org/about/country-classifications/country-and-lending-groups#Low\\_income](http://data.worldbank.org/about/country-classifications/country-and-lending-groups#Low_income).

Note: Countries in bold indicate a change in the income level during the year. Economies are classified according to gross national income per capita as of July 2018, calculated by the World Bank atlas method: low-income countries, \$995 or less; lower middle-income countries, \$996–\$3,895; upper middle-income countries, \$3,896–\$12,055; high-income countries, \$12,056 and higher.

This table also indicates the countries that qualified or were eligible or potentially eligible for the HIPC Initiative.

Abbreviations: HIPC, heavily indebted poor countries

## ANNEX 5

### AUTOMATIC LINKS BETWEEN DMFAS AND OTHER SYSTEMS

DMFAS interfaces with public financial management information systems are aimed at providing support for three key processes, namely budget preparation (1), budget execution (2) and general data sharing (3) as follows:

(1) The budget preparation interface includes:

- Budget estimation: includes screens for scheduled disbursements and scheduled debt service for external and domestic debt for active and pipeline instruments.
- Grants: These resources are not repaid and thus do not generate debt service; nevertheless, scheduled disbursement may need to be considered in the budget. This will allow the estimation of the budget as revenue.

(2) The budget execution interface covers exchange of information related to disbursements (D), payment orders (PO) and payment confirmation (PC).

(3) Reference data refers to common data exchanged between systems such as exchange rates, participants information and back accounts, and budget line descriptions and budget information by instruments.

Country	Link with treasury system		Reference data (3)	Auction/central depository system	Other
	Estimations (1)	(2) Disbursements – D payment orders – PO payment confirmation – PC			
Angola	✓	D PC	✓		
Albania		PO PC	✓		
Argentina (MoF)	✓	PO D PC	✓		
Argentina (Province of Rio Negro)	✓	D PC	✓		
Bolivia (Plurinational State of) (MoF)	✓	D PO			
Bolivia (Plurinational State of) (CB)					Interface with reporting and SWIFT system for payments
Costa Rica	✓		✓		
Dominican Republic (MoF)	✓	D PO PC	✓		
Ethiopia (MoF)	✓		✓		
Gabon (MoF)		PO	✓		
Guatemala (MoF)	✓	D PO			Interface with CB's domestic debt database
Honduras (MoF)	✓	D PO PC	✓		

Country	Link with treasury system		Reference data (3)	Auction/central depository system	Other
	Estimations (1)	(2) Disbursements – D payment orders – PO payment confirmation – PC			
Indonesia (MoF)	✓	D PO PC	✓	✓	
Indonesia (CB)	✓	PO PC	✓		Internal system
Madagascar (CB)	✓	PO		✓	Internal reporting tool
Mauritania	✓		✓		
Nicaragua (CB and MoF – shared database)	✓	D PO PC	✓		Link with CB's accounting system
Panama (MoF)	✓	D PO PC	✓		Internal reporting tool
Paraguay	✓	D PO	✓		
Philippines (Bureau of Treasury)			✓	✓	
Philippines (CB)			✓		Link with private debt database
Venezuela (Bolivarian Republic of) (MoF)	✓	PO - Internal Debt only	✓		
Viet Nam (MoF)	✓	PO PC	✓		
<b>Discontinued links</b>					
Burkina Faso	discontinued	New developments ongoing in regard to IFMIS			
Iran (Islamic Republic of) (CB)	discontinued	Change in version			
Jordan (MoF)	obsolete	Change in version – new link under development			
Republic of Moldova (MoF and CB)		Not a link as defined in the annex; replication environment for reporting purposes			
Madagascar (CB)	discontinued	Transfer of responsibilities			
Paraguay (MoF)	discontinued	Change in IFMIS version			

## ANNEX 6 SUMMARY OF DMFAS HELP-DESK ENQUIRIES BY COUNTRIES, 2018

<i>Country</i>	<i>DMFAS 6</i>		
	<i>Incoming</i>	<i>Closed</i>	<i>Assigned</i>
Albania	28	22	6
Angola	56	52	4
Argentina	42	23	19
Argentina (Province of Rio Negro)	11	11	
Bangladesh	2	2	
Burkina Faso	8	5	3
Burundi	1	1	
Cambodia	6	5	1
Central African Republic	3	3	
Congo	1		1
Costa Rica	17	10	7
Côte d'Ivoire	2		2
Dominican Republic	2	1	1
Ecuador	65	43	22
Egypt	11	6	5
El Salvador	12	7	5
Eritrea	4	3	1
Ethiopia	6	6	
Gabon	13	10	3
Georgia	1		1
Guatemala	4		4
Guinea-Bissau	3	3	
Honduras	18	12	6
Indonesia	14	13	1
Iran (Islamic Republic of)	3	2	1
Iraq	4	4	
Jordan	13	12	1
Lebanon	11	8	3
Madagascar	2	2	
Mauritania	3	2	1
Mongolia	15	13	2
Nicaragua	3	1	2
Panama	13	6	7
Philippines	3	2	1
Republic of Moldova	23	12	11
Rwanda	7	6	1
Sudan	6	5	1
Togo	5		5
Uganda	31	27	4
Uzbekistan	7	1	6
Venezuela (Bolivarian Republic of)	19	14	5
Zambia	4	4	
Zimbabwe	6	6	
Tickets reported by help desk	82	60	22
<b>Total</b>	<b>590</b>	<b>425</b>	<b>165</b>

## ANNEX 7 CONTRIBUTIONS TO THE DMFAS CENTRAL TRUST FUND PER DONOR, 2002–2018



# ANNEX 8

## MAINTENANCE AGREEMENTS AND FEES

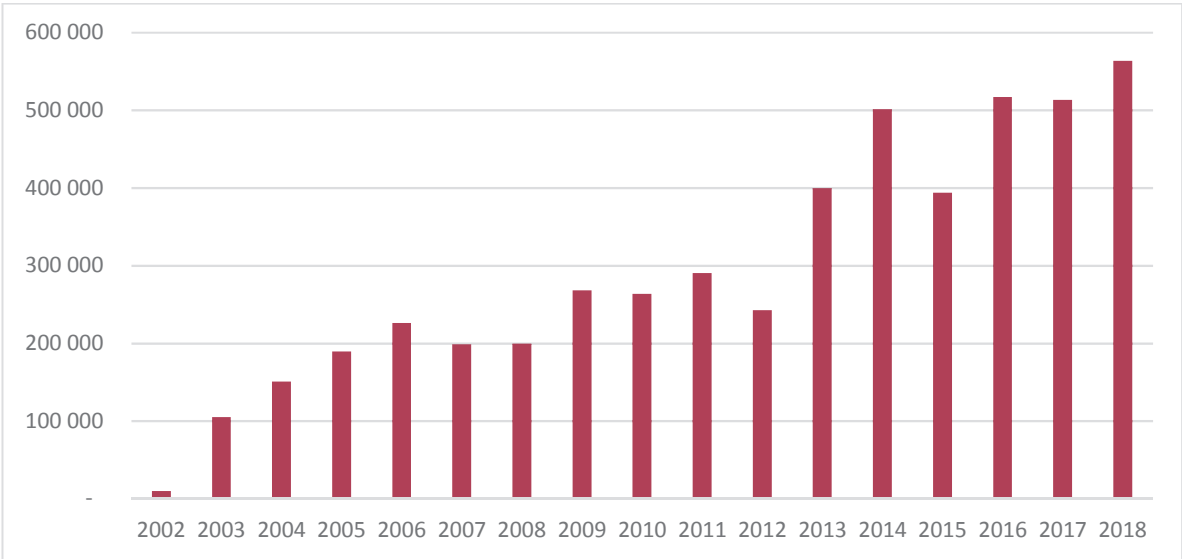
As shown in figure 1 below, fewer institutions appear to be paying the annual maintenance fee. However this is due to some billing cycles starting late in the year for which the maintenance fees are paid the following year. Additionally, the DMFAS Programme makes a concerted effort to collect arrears.

**Annex 8, figure 1. Number of institutions that have signed maintenance agreements and paid maintenance fees, 2003–2018**



**Annex 8, figure 2. Maintenance fee payments received, 2002–2018**

(United States dollars)





## ANNEX 9

### CURRENT UNITED NATIONS AND INTERNATIONAL MANDATES

#### RELEVANT TO THE WORK OF THE DMFAS PROGRAMME

- **United Nations General Assembly Resolution 73/221 on external debt sustainability and development** (adopted 20 December 2018)

- o "*Emphasizing* that debt sustainability is essential for underpinning growth, underlining the importance of debt sustainability, debt transparency and effective debt management to the efforts to achieve the Sustainable Development Goals, and acknowledging that debt crises are costly and disruptive, including for employment and productive investment, and tend to be followed by cuts in public spending, including on health and education, affecting the poor and vulnerable in particular,"

- o "*Reaffirming* that each country has primary responsibility for its own development and that the role of national policies and development strategies, including in the area of debt management, is central to the achievement of sustainable development, and recognizing that national efforts, including to achieve development goals and to maintain debt sustainability, should be complemented by supportive global programmes, measures and policies aimed at expanding the development opportunities of developing countries, while taking into account national conditions and ensuring respect for national ownership, strategies and sovereignty,"

- o Paragraph 7: "... stresses the need for improved data collection and quality in areas that include domestic public debt, domestic and external private debt, as well as legal and regulatory features, such as ownership, currency denomination and jurisdiction according to national priorities;"

- o Paragraph 8: "*Also reiterates* that timely and comprehensive data on the level and composition of debt are necessary for, inter alia, building early warning systems aimed at limiting the impact of debt crises, calls for debtor and creditor countries to intensify their efforts to collect and release data, where appropriate, welcomes the ongoing work of relevant institutions to apply innovative tools for monitoring financial stress in developing countries and to create a central data registry that includes information on debt restructuring, and calls for donors to consider increasing their support for technical cooperation programmes aimed at increasing the statistical capacity of developing countries in that regard;"

- o Paragraph 9: "*Encourages* the United Nations system, including the World Bank Group, the International Monetary Fund and other relevant stakeholders, to continue to conduct analytical activities and to provide policy advice and technical assistance to Governments, upon request, in the areas of managing debt, and operating and maintaining databases, and in this regard recalls that the United Nations Conference on Trade and Development should continue its analytical and policy work and technical assistance on debt issues, including the Debt Management and Financial Analysis System Programme, so that this extends not only to improvements in the timeliness and accuracy of debt data recording, but also to the enhanced coverage of public sector and other relevant debt data, including, in particular, heretofore unrecorded or hidden debt instruments, contingent liabilities and more complex debt instruments;"

o Paragraph 10: "*Stresses* the need to strengthen information-sharing and transparency among all creditors and borrowers to make sure that debt sustainability assessments are based on comprehensive, objective and reliable data, including an assessment of national public and private debt, in order to ensure the achievement of sustainable development goals, encourages further improvement of the mutual exchange of information, on a voluntary basis, on borrowing and lending among all creditors and borrowers, and takes note of the Paris Forum initiative, which is aimed at gathering together sovereign creditors and debtors to share views and information, promoting greater debt transparency and preserving debt sustainability;"

o Paragraph 11: "*Recognizes* that the long-term sustainability of debt depends on, inter alia [...] sustainable debt management,"

o Paragraph 14: "*Stresses* the need for the international community to remain vigilant in monitoring the debt situation of developing countries, including the least developed countries, landlocked developing countries and small island developing States, and to continue to take effective measures, preferably within existing frameworks, when applicable, to address the debt problem of those countries, acknowledges that sound debt management initiatives can play a key role in liberating resources..."

o Paragraph 20: "*Recognizes* the role of the United Nations and of the international financial institutions, in accordance with their respective mandates, and encourages them to continue to support global efforts towards sustained and inclusive growth, sustainable development and the external debt sustainability of developing countries..."

o Paragraph 23: "...encourages the United Nations Conference on Trade and Development, the World Bank and the International Monetary Fund to continue their analytical and policy work and technical assistance on debt issues and to promote policies for responsible, sustainable and transparent sovereign borrowing and lending, as appropriate;"

o Paragraph 31: "*Invites* the international community to continue efforts to increase support, including financial and technical assistance, for institutional capacity-building in developing countries to enhance sustainable upstream and downstream debt management as an integral part of national development strategies, including by promoting transparent and accountable debt management systems..."

o Paragraph 32: "*Requests* the United Nations Conference on Trade and Development, and invites the International Monetary Fund and the World Bank, in cooperation with the regional commissions, regional development banks and other relevant multilateral financial institutions and stakeholders, to continue and intensify cooperation in respect of activities relating to capacity-building and to early warning monitoring systems in developing countries in the area of debt management and debt sustainability with a view to contributing to the implementation of the 2030 Agenda for Sustainable Development;"

• **Nairobi Azimio** (TD/519/Add.1; adopted 22 July 2016)

o Paragraph 18: "We are aware of the negative effects of unsustainable debt on development, particularly for developing countries, and recognize the need to assist developing countries to achieve long-term debt sustainability through sound debt management and coordinated policies aimed at fostering debt financing, debt relief and debt restructuring, as appropriate, and to address the external debt of highly indebted poor countries to reduce debt distress."

- **Nairobi Maafikiano (TD/519/Add.2) From decision to action: Moving towards an inclusive and equitable global economic environment for trade and development** (adopted 22 July 2016)

- o Paragraph 22: "[...] Given growing concerns about external debt sustainability, public debt management to prevent and pre-empt financial and debt crises is important. The need for a central data registry, including information on debt restructurings, has also been recognized. In this regard, the long-standing work of UNCTAD on debt issues within the United Nations, including through promotion of its Principles on Responsible Sovereign Lending and Borrowing, is recognized."

- o Paragraph 38(h): UNCTAD should "continue its analytical and policy work and technical assistance on debt issues, including the Debt Management and Financial Analysis System Programme, and to promote policies for responsible sovereign borrowing and lending, complementing the work done by the World Bank and the International Monetary Fund and other stakeholders, as appropriate;"

- o Paragraph 38(i): UNCTAD should "continue its existing work, in coordination with relevant partners, including the Task Force on Finance Statistics, to contribute to statistical series and capacity in the fields of domestic debt, external private and public debt and debt composition;"

- **External debt sustainability and development, Report of the Secretary-General (A/70/278)**

- o Paragraph 52: "For debt management to be effective in meeting those challenges, countries will need to invest in building adequate capacity and implementing sustainable reforms. This will require financial resources and technical assistance. Building sustainable capacity in debt management necessitates a long-term, continuous, iterative process of learning and adapting to change. Assistance should be provided to strengthen recipients' capacities to monitor their debt profiles and reduce vulnerabilities from the excessive build-up of debt and increased market exposure. Technical assistance providers, particularly UNCTAD, IMF and the World Bank, must ensure that the products and services offered are public goods that are continuously updated in line with the new requirements of countries and best practices. Providers must also maximize coordination and complementarity to minimize duplication and adopt a cooperative, holistic approach that covers both upstream and downstream activities, thus ensuring that the full spectrum of country needs is met. Similarly, the international community must ensure that adequate financing is provided to support the implementation of national reforms and the provision of technical assistance for public debt management as an effective tool for debt crisis prevention. Donor support for downstream activities in low-income countries will be particularly important."

- o Paragraph 57: "International support to ensure the effective management of day-to-day public liabilities, through financial and technical assistance and institutional capacity-building for public debt management, is critical to equipping developing countries with the means to manage and assess the market-based risks to debt sustainability. [...]"

- **Sustainable Development Goal<sup>1</sup> 17.4 on debt sustainability**

- o “Assist developing countries in attaining long-term debt sustainability through coordinated policies aimed at fostering debt financing, debt relief and debt restructuring, as appropriate, and address the external debt of highly indebted poor countries to reduce debt distress”

- **Addis Ababa Action Agenda of the Third International Conference on Financing for Development (United Nations General Assembly Resolution 69/313)**

- o Paragraph 34: “[...] We will work to strengthen debt management [...]].”

- o Paragraph 94: “We recognize the need to assist developing countries in attaining long-term debt sustainability through coordinated policies aimed at fostering debt financing, debt relief, debt restructuring and sound debt management, as appropriate.”

- o Paragraph 115: “[...] We reiterate the importance of strengthening institutional capacity and human resource development. It is also critical to reinforce national efforts in capacity-building in developing countries in such areas as public finance and administration, [...] debt management [...]].”

- **Doha Mandate (April 2012)**

- o Paragraph 28: “Effective macroeconomic and debt-management policies play an important role in fostering debt sustainability and economic development and debt crisis prevention. Many countries have managed to sharply reduce their overall debt-to-gross domestic product (GDP) ratio, in some cases assisted by the Debt Management and Financial Analysis System (DMFAS) Programme, and relevant initiatives such as the Heavily Indebted Poor Countries Initiative and the Multilateral Debt Relief Initiative. Progress is needed on restructuring public debt.

- o Paragraph 31(c): UNCTAD should “continue analytical work on how issues of debt and its impact on mobilization of resources can be addressed more effectively and providing technical assistance and support for developing countries in building national capacities through the DMFAS Programme, in cooperation, where appropriate, with the International Monetary Fund, the World Bank and other stakeholders”.

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<sup>1</sup> The Sustainable Development Goals (SDGs) are a set of 17 goals to end poverty, protect the planet and ensure prosperity for all. They are part of the 2030 Agenda for Sustainable Development, which was adopted by world leaders at an historic United Nations summit in September 2015. While the SDGs are not legally binding, Governments are expected to take ownership and establish national frameworks for the achievement of the 17 goals and their 169 targets.

## ANNEX 10

### CONCLUSIONS OF THE DMFAS ADVISORY GROUP, NOVEMBER 2017

The DMFAS Advisory Group advises the Secretary-General of UNCTAD of the following conclusions of its eleventh meeting, held in Geneva on 16 and 17 November 2017. The DMFAS Advisory Group:

#### *Strategic plan 2016–2019*

1. Notes with satisfaction the positive results achieved to date by the Programme in the implementation of its 2016–2019 strategic plan and that the Programme is on track to meet its objectives.
2. Appreciates that the Programme continues to be highly relevant for developing countries, bilateral donors and other organizations, that it is highly responsive to the needs of debt management offices and that it is making an important contribution to the achievement of the Sustainable Development Goals.
3. Appreciates that the new debt data quality assessment methodology (Debt-DQAM) is a very useful framework to systematically assess the quality of the data recorded in debt management systems based on best practices and international standards in debt management, and to help to consequently improve debt data quality.
4. Endorses the proposed amendment to the strategic plan to include the provision of support to debt management offices on Debt-DQAM, and to make the following results subject to availability of funding: establishing regional centres, regional workshops, feasibility study for private non-guaranteed external debt, translation of documentation and website information in other languages. Recognizes that this new tool provides debt management offices with valuable opportunities for self-assessments and to implement best practices.

#### *DMFAS software*

5. Appreciates the planned improvements to DMFAS 6 and asks UNCTAD to ensure that they are made available to countries as soon as possible.
6. Emphasizes the need for the Programme to take into account the following needs when developing new versions of the software: enhanced analysis, including debt portfolio analysis; comprehensive private debt management; borrowing plan; accounting (IPSAS and non-IPSAS), World Bank Form 4; monitoring of loans under negotiation; capitalization and calculation rules; flexibility in classification, including economic sector; public–private partnerships; integration with external sources such as Bloomberg; timely alerts; further integration with other relevant financial management systems; and general norms for disseminating data and debt statistics
7. Understands that the anticipated de-support by third-party suppliers of the technological platform of DMFAS 6 will raise difficulties for its continued use by debt management offices from 2023 approximately, appreciates the Programme’s commitment to continue to provide

as much support for the version as possible for as long as the technology allows, and takes note of the corresponding need for countries to plan to upgrade to DMFAS 7.

### ***Monitoring and evaluation***

8. Requests the Programme to organize in 2018 the midterm independent external evaluation foreseen in the strategic plan and encourages all stakeholders to participate fully in the evaluation.
9. Asks that the Programme report back to the Advisory Group at its next meeting in 2019 on the results of the midterm evaluation and on overall progress in implementing the strategic plan and to present the strategic plan for the following period for discussion.

### ***Communication/website***

10. Appreciates the improvements made to the DMFAS website portal and the potential it offers for improving the timeliness and availability of information and requests the Programme to continue to make learning materials available on this medium.
11. Reiterates its request to the Programme to provide documents, communications and website in the working languages of user countries, to the extent feasible. The Advisory Group notes that this is a particular concern for French-speaking countries. It also notes that requests have been made to ensure that the DMFAS 7 be available in Arabic.

### ***Support/quality of services***

12. Appreciates the continued support provided to debt management offices and encourages the Programme to continue to prioritize high-quality products and services in response to evolving user requests.
13. Recommends that the Programme undertake a feasibility study, including a user survey, on implementing Software as a Service (SaaS) or 'hosting service' when introducing DMFAS 7. The study should evaluate demand, economic implications, technology options and security aspects.
14. Requests the Programme to provide as many services as possible in the different languages of the DMFAS user community, including documentation, release notes, help desk, workshops, website and training materials.
15. Considers that it is very important for the Programme to provide a comprehensive range of capacity development opportunities, including for auditors and executives, new staff and non-debt officers.
16. Appreciates that the DMFAS help desk is a very valuable support for DMOs and asks UNCTAD to extend the service to take account of regional time differences and specificities to the extent possible, including providing enhanced visibility of the status of ongoing requests and the possibility of live communication between the user and the help desk officer.
17. Emphasizes that the availability of a user discussion forum would be a valuable platform for DMFAS users to share experience, knowledge and best practices.
18. Recommends that the Programme provide timely, relevant and detailed communications to DMOs regarding new updates to the system, and training opportunities.



19. Requests the Programme to simplify data conversion exercises for new system versions and to pilot the new versions in countries prior to general release.

### ***Cooperation and partnership***

20. Emphasizes the importance for the programme to continue cooperation with other providers of technical assistance, including the Debt Management Facility, in line with its comparative advantages and in complementarity, as described in the plan.
21. Appreciates that the cooperation with the Commonwealth Secretariat has resulted in the development of the new methodology Debt-DQAM and encourages the programme to seek other opportunities with a view to cooperating to the maximum extent possible.

### ***Business model and financing***

22. Expresses its appreciation for the financial support to the DMFAS Programme from the donor community and encourages donors to continue their support and requests that the Programme continue its efforts to expand its donor base.
23. Conveys its appreciation for the participation of beneficiary countries in the funding of the Programme through the cost-sharing arrangements and requests all countries to make their annual maintenance fee payments in a timely manner and UNCTAD to provide timely invoices. Suggests that UNCTAD consider making information widely available among the DMFAS user community on the status of financial contributions from all stakeholders.
24. Appreciates that the planned adjustments to the Programme's cost-sharing arrangements are in accordance with the recommendations of the business model review undertaken in 2015 and with the conclusions of the Advisory Group at its meeting in November 2015.
25. Endorses the plan to implement the adjustments to the Programme's cost-sharing arrangements to become effective with the release of DMFAS 7, including the sharing of Programme costs in the respective proportions of 40:40:20 among donors, countries using DMFAS services and UNCTAD.
26. Recommends that a new maintenance fee agreement be signed with each beneficiary country at the time of agreeing on implementation of DMFAS version 7, and requests that UNCTAD explore the feasibility of facilitating advance payments and payment by instalments.
27. Stresses the need to ensure that the capacity of the poorest countries and of the ability of all user countries to pay is reflected in the implementation of these new cost-sharing arrangements.
28. Understands that further adjustments to the cost-sharing arrangements may need to be made in the interim between the release of major new versions of the DMFAS software, should and when the need arises.
29. Reiterates its encouragement to the Programme to seek the necessary funding to establish regional centres, prioritizing in the first instance two regional centres in Africa, as previously recommended by the Advisory Group. Recommends that centres provide both functional and technical support and requests UNCTAD to maximize opportunities to partner with governments and other regional partners willing to host them. Also recommends that the

regional centres provide opportunities for training with a comprehensive training calendar, subject to financial considerations.

30. Stresses the importance of the programme obtaining the funding necessary to enable it to continue to respond effectively to the many and evolving demands of developing and transition countries for assistance in building sustainable capacity for the effective management of their public debt.
31. Appreciates the intention of current donors to work together with the DMFAS Programme to promote a coordinated approach by the international community to the financing of downstream activities such as those undertaken by the programme, highlighting the critical importance of these activities for achieving the Sustainable Development Goals.

### ***Future direction***

32. Appreciates that the Programme continues to be highly relevant for developing countries, bilateral donors and other organizations, and requests that it continue to be highly responsive to the changing needs of Governments.
33. Endorses the proposed work plan for 2018–19 and emphasizes the importance of developing the new version, DMFAS 7, in order to ensure that the technological platform of the system is upgraded as required by changes in the software industry, and also endorses the proposed functional improvements.
34. Emphasizes the Programme's continued essential role in assisting countries to build sustainable capacity for the effective management of public debt, particularly in ensuring the availability of high-quality debt data and statistics, and consequently assisting the international community to meet its commitments to promote debt sustainability, as defined in the 2030 Agenda for Sustainable Development.
35. Endorses the plan to develop new capacity-building modules, including tutorials and e-learning products.
36. Highlights the importance of the need to mitigate operational risks in debt management offices via the development of tools, as well as training solutions associated with operational risk management.
37. Recognizes that debt office staff that become certified practitioners under the planned DMFAS certification programme will be valuable assets to their Governments and the global debt management community, and requests UNCTAD to make the certification programme operational as widely and as soon as possible within its financial capacity.









**DMFAS PROGRAMME**

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